

EUROPEAN NEWS

Missiles plan has roused strong opposition in Norway and Denmark Scandinavians play a waiting game

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

NATO'S PLAN to station new nuclear weapons in Western Europe has put the minority Social Democratic governments on its Northern flank into a political quandary. NATO is calling for a unanimous vote by all members of the Alliance in favour of the installation of 572 Pershing 2 and Cruise missiles in Western Europe. But Danish and Norwegian Ministers are only too aware that substantial minorities within their own parties oppose the so-called theatre nuclear force modernisation programme.

Many MPs, including some cabinet members, sympathise with the position taken by the Dutch Labour Party, that an offer to negotiate new arms control measures in Western Europe should be made to the Soviet Union before NATO decides to modernise its nuclear stockpile. In interviews in both Danish and Norwegian newspapers, Mr. Joop den Uyl, the Dutch Labour Party leader, has reproached the Scandinavians for letting down their Dutch colleagues. His remarks have gone home.

The Social Democrat leaders in both Copenhagen and Oslo are waiting uneasily to see whether full-scale anti-nuclear modernisation campaigns develop within their countries. Mr. Anker Joergensen, the Danish Prime Minister, has asked his party's MPs not to express their views publicly before the debate on modernisation, scheduled to take place in the Folketing (Parliament) on November 27.

Opposition to NATO's nuclear programme has been well ventilated in the media in both countries. Prominent figures have signed letters urging their governments not to vote for modernisation when the NATO foreign and defence ministers hold their crucial council meeting next month. But no campaign has yet evolved on the scale of that against the neutron bomb last year.

Both parliaments contain



Prime Minister Anker Joergensen (left) and Odvar Nordli seeking to avoid splitting their parties.

clear majorities, embracing most non-socialists and the bulk of the Social Democrat MPs in favour of support for modernisation. Between 15 and 20 of the 69 Danish Social Democrat MPs might join the 40 or so left-wingers and Radical Liberals in the 179-member Folketing in voting against modernisation. The Norwegian Government can count on the votes of at least 110 of the 155 Storting members in favour of modernisation.

However, neither Mr. Joergensen nor Mr. Odvar Nordli, the Norwegian Prime Minister, can afford a confrontation which would split his party. Mr. Joergensen's new Cabinet, formed after last month's general election, is battling to get a tough economic recovery programme approved. In Norway, Mr. Nordli is striving to present an image of decisive government, with a Cabinet reshuffled after his party's setback in the September local elections.

The Scandinavians are the odd men out within NATO. They joined the Alliance at its inception in 1948 on the understanding that they would not be expected to station atomic weapons or foreign bases on their territories during peacetime. This standpoint has always been accepted by the other NATO members.

It is also an important element in the so-called Nordic strategic balance, in which Denmark and Norway belong to NATO, while Sweden is neutral and Finland is tied by a friendship and co-operation treaty to the Soviet Union. Any proposal to deploy nuclear weapons in Norway or Denmark could provoke a Cuban missile crisis in reverse, with the Soviet Union reacting as violently as the Kennedy Administration did, when the Russians started to deploy missiles in Cuba in 1962.

The Scandinavians are not, therefore, being asked to accept deployment in their territories of the new Pershings and

Cruise missiles, although they will make small contributions to the infrastructure costs, which will come out of a common NATO fund. But the Danish and Norwegian governments cannot opt out of the nuclear modernisation decision, because of the stipulation that it must be unanimous.

On their return from the NATO defence ministers' meeting in The Hague last week, both Mr. Poul Soegaard, the Danish Minister, and Norway's Mr. Thorvald Stoltenberg were careful to spell out that their governments had not yet committed themselves. The official argument for this delay is that it would be inappropriate for Denmark and Norway to announce their standpoints before those NATO countries which have been asked to accept the installation of the new missiles, have declared themselves. In practice this means that the Scandinavians are waiting for the Dutch. There is no doubt that the Danish and Norwegian ministers' statements at the December council meeting will be coloured by the final position taken by the Netherlands, but this does not necessarily mean that the Scandinavians would join the Dutch in voting against modernisation.

First, public opinion within the two countries is strongly pro-NATO, even though most Danes and Norwegians worry about the escalation of nuclear weaponry in Europe. The Social Democrat Governments cannot afford to lay themselves open to charges of being "soft" on defence issues.

Second, both Danish and Norwegian ministers feel that it would be inconsistent to veto the NATO modernisation programme when their countries rely on the NATO nuclear umbrella and yet are not being asked to receive nuclear weapons.

On the other hand, the Scandinavians are likely to seize on any credible modification of

THE CHALLENGE TO NATO



the NATO modernisation plan which the Dutch may be able to persuade other NATO members to accept. The Danish Minister, Mr. Soegaard, expressed sympathy last week for the Dutch effort to secure a reduction in the number of new missiles to be deployed.

At the same time, he described as unrealistic the Dutch proposal that NATO should decide on the construction of the new missiles, but postpone a decision on their deployment. The U.S. Congress could not be expected to authorise finance for the \$4bn missile programme, if deployment in Europe was in doubt.

Both the Danish and Norwegian Governments set great store by the arms control proposals which NATO is expected to offer the Russians next month at the same time as it decides to go ahead with nuclear modernisation. The Scandinavians also insist that the three-year period between the go-ahead decision and the actual installation of the new missiles must be used in the full in order to hold genuine East-West negotiations on arms control within Europe.

Three of the five points which the Norwegian Foreign Minister Mr. Knut Frydenlund, told the Storting would form the framework for his Government's attitude to NATO nuclear modernisation concerned arms control talks. NATO had to respond to the signals sent out by the Soviet President, Mr. Leonid Brezhnev, in his speech in East Berlin on October 6, and in his follow-up letters to the NATO heads of government, Mr. Frydenlund stipulated,

Estimate doubles Soviet proven oil reserves

BY RAY DAFTER, ENERGY EDITOR

A NEW study of the Soviet oil industry* suggests that the USSR's proved reserves may be twice as large as generally considered in the West.

The underestimation of the Soviet Union's oil producing potential is so large, the report claims, that the world's oil reserves must be revised upwards by an amount equalling the combined proved reserves of the U.S., Canada and Mexico.

PetroStudies of Malmo, a Swedish oil research company, believes that the USSR, and not Saudi Arabia, has the world's largest proved reserves of oil. Last year, it is claimed, these reserves—excluding tar sands and oil shale—stood at over 150bn barrels, or more than four times the reserves of the United States.

quoted BP Statistical Review of the World Oil Industry and the Oil and Gas Journal's annual survey of the oil industry put Soviet proven reserves at 71bn barrels. PetroStudies claims, however, that Western estimates have been uncertain because the USSR has not disclosed any absolute figures for its total explored oil reserves since the Second World War.

PetroStudies maintains that the USSR has been downplaying the amount of its discoveries for the past 20 years. This practice appears more to be a result of peculiarities in the Soviet system of worker incentives than a deliberate policy to mislead domestic and foreign publics, it says.

The Soviet Union has already established itself as the world's leading oil producer. Its current output is about 11.9bn barrels a day against Saudi Arabia's 9.5bn b/d.

The main conclusion of PetroStudies report is that the Soviet Union has all the reserves it needs to expand production throughout the 1980s. In contradicting U.S. Central Intelligence Agency reports that the USSR will soon become a net importer of oil, PetroStudies concludes: "On the contrary, the Soviet leadership has a long-term policy to increase oil exports to the West—particularly refined oil products—in order to earn enough hard currency to buy more Western industrial equipment, advanced technology, and agricultural products." "Soviet Proved Oil Reserves, 1946-1980," PetroStudies, Sjöblads väg 27, S-21370, Malmo, Sweden.

Trial power cuts planned in Italy

BY RUPERT CORNWELL IN ROME

ENEL, THE Italian electricity authority, this week begins a nationwide series of "dress rehearsals" designed as a dress rehearsal for the real thing this winter—and likely as early as next month.

The cut-offs, which will hit ordinary users of electricity in the next few days, will last only three minutes each on average. But they are the forerunners of a plan for 90-minute blackouts rotating across 20 zones of the country within the coming weeks, should, as seems highly likely, demand for power outstrip available supply at peak hours.

The first of these is expected shortly before Christmas, but ENEL hopes to lessen the inconvenience by advance warning, and has already prepared the ground with a heavy advertising campaign.

That Italy should find itself in such a plight reflects not so much a shortage of oil, which powers the bulk of ENEL's stations, as delays in building new power plants, and a failure to cut down on energy use.

Despite warnings, and an international pledge by the Government to cut consumption by 5 per cent in 1979, electricity used rose more than 3 per cent in the first eight months of this year.

The Government's modest energy saving plan, presented in September, has become bogged down in Parliament, and it ever takes shape it is likely to do so only in a highly reduced fashion.

At the same time, his increasingly delicate political position makes it difficult for Sig. Francesco Cossiga, the Prime Minister, to push through any effective package.

Meanwhile, even a scaled-down programme of nuclear power station construction

between 1980 and 1985 has become bogged down in a morass of bureaucratic, environmentalist and political problems. Even the one full-scale nuclear station in operation, the 550MW unit at Casorso near Piacenza, has been temporarily shut down for technical reasons.

However, ENEL's difficulties have been increased by delays in securing adequate quantities of diesel and home heating oils this winter. Householders have invested generously in small home electrical heaters which represents a threatening extra burden on an existing capacity should the winter turn particularly cold.

The authority admits its best hope of averting disruption, which would almost certainly have an adverse impact on industrial output, is that the first real blackout will induce voluntary savings which make forced cut-offs less necessary.

Dublin summit to study EEC electronics strategy

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission will submit proposals for integrating and developing member states' electronics industries to EEC heads of government when they meet in Dublin at the end of next week.

The 13-member Commission has recently approved a strategy for the community's electronics industries, prepared by Viscount Etienne Davignon, the Industry Commissioner, to ensure that by 1990 the EEC will have gained a third of the world market for electronic equipment.

The Dublin summit of the European Council will discuss the strategic guidelines laid down in M. Davignon's report, as heads of government must back the plan if national obstacles inside the EEC are to be removed.

A unified community electronics industry demands that the welter of national standards

and regulations that currently fragment the sector be reduced to an EEC norm. National development programmes, according to the Commission proposals, should also be closely linked.

M. Davignon's report also stresses that with 35 per cent of the world's computer-related purchases accounted for by European public sector requirements, the establishment of preferential conditions that favour the EEC industry is a priority.

The Commission plan also underlines the point that a determined bid to streamline and integrate the electronics industries in the EEC must be seen as part of overall efforts to restructure European industry and redeploy manpower.

The proposal calls for a "great debate" between governments, unions and employers on the social aspects of the programme.

Swiss tourism shows signs of recovering

By John Wicks in Zurich

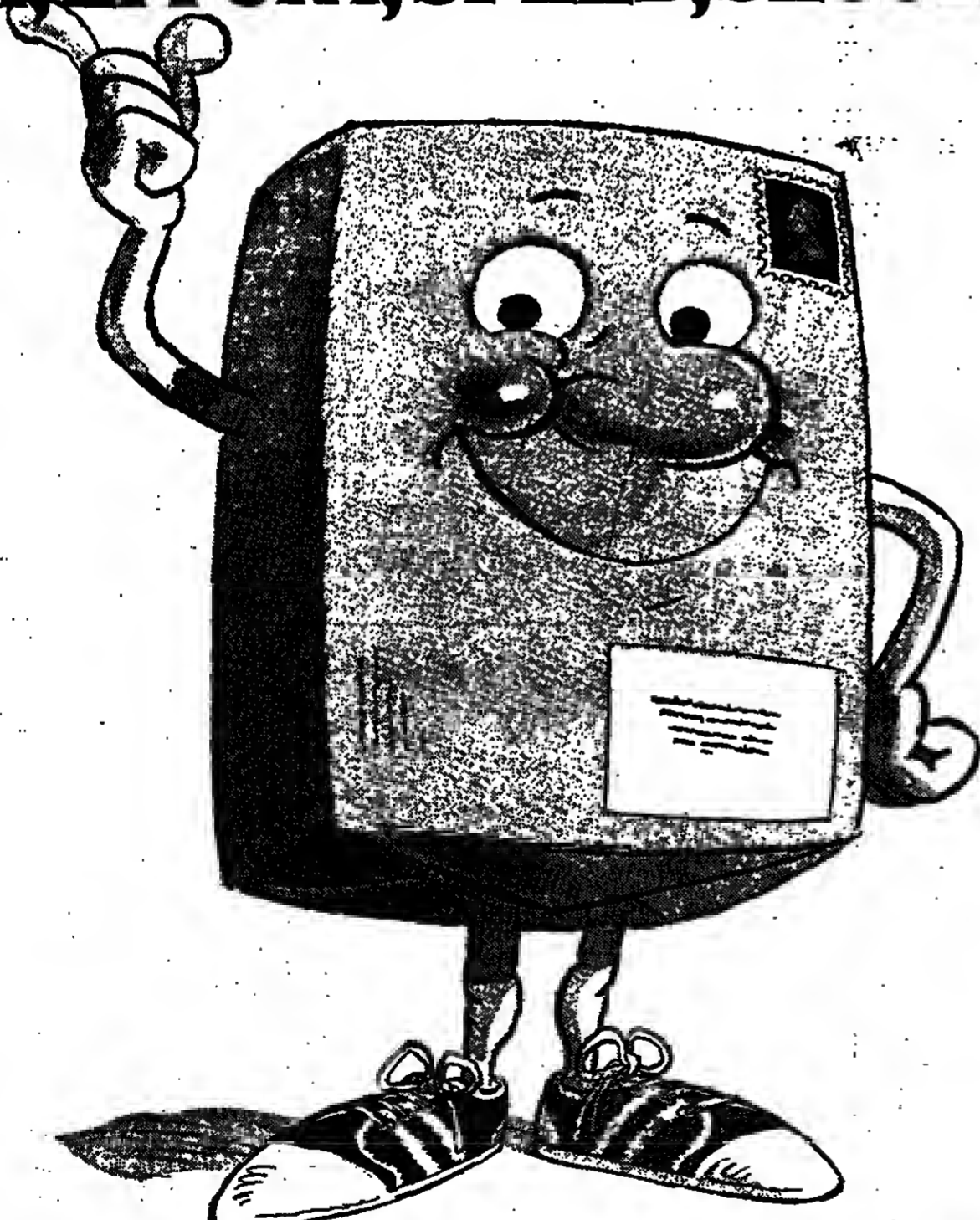
SIGNS OF recovery in Switzerland's tourist industry appear in the latest report of the Swiss Tourism Federation, covering the summer months May to September. Tourist volumes were considerably lower than in 1978 up to July, according to the Bern-based organisation. But they stabilised in August and improved in September, thanks to good weather.

For the five-month period, tourists saw their trade decline by 3 per cent compared with the corresponding summer months of last year. A 3 per cent increase in domestic custom helped to offset a decline of 8 per cent in foreign visitors.

In September alone, however, the figures were 3 per cent above 1978 levels for Swiss residents and 5 per cent up for foreign tourists.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

COST, EFFORT, SPEED, SECURITY



Let the Royal Mail Overseas Parcels Service solve your export problems.

Starting with Cost. A recent independent survey showed that the cost of sending air parcels averages between 1/3 and 1/2 of air freight charges. And you know where you are with the Royal Mail. Air freight 'extras' like collection, handling, customs documentation, airport taxes and (to most countries) delivery are all included in the price of the stamps. Effort—you save here too. There's no complex customs

documentation with the Royal Mail. Just fill in one or two simple forms. Stamp. And that's all. As for Speed, Royal Mail Air Parcels take fast, scheduled flights, get quick customs clearance, and red-carpet treatment with full security all the way. If your overseas parcel is in no great hurry, our Surface Parcels service is even cheaper and no less Secure. Stop paying over the odds on overseas parcels. Simply dial 100 and ask for FREEPHONE 2357 or return the coupon NOW!

Form for Royal Mail Overseas Services with fields for Name, Position, Company, Address, Postcode, and Tel. Includes a 'FIND OUT MORE!' callout box.

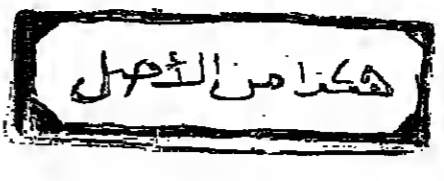
Royal Mail OVERSEAS SERVICES

Unique Technology for sale!

Measuring Technique

The fast advancement of the microcomputer technology has facilitated the use of sophisticated measuring and control systems, which was impossible a few years ago. However, the development of measuring transducers has not kept the same pace and this has limited the use of microcomputers. One exception is the S-sensor technique here presented for measuring small linear expansions, e.g. strain, stress, displacement, deflection, force, moment, load, weight, pressure. The S-sensor utilizes the change of the natural frequency of a vibrating metal band. The band is slightly S-shaped and mounted in the sensor without any prestress, thus generating a very stable electrical output signal and showing the direct proportional relationship between the strain and the output frequency. Since the output signal is given as a frequency, it can easily be converted to digital form and is suitable for radio or optical transmission. A low sensitivity to electrical interference is also achieved. Thanks to small size and unique feeding methods the complete transmitter can be integrated into the sensor unit. The S-sensor technique has already proved to be highly competitive in such applications as truck load indicators and overload protection for cranes. In addition, it has dramatically reduced the costs of reliable rolling force measuring systems for use in the steel industry. Your application for further information will be treated confidentially.

The Axel Johnson Institute, with more than 100 licensees all over the world, is now calling for licensees for a new, patented Measuring Technique. The Axel Johnson Institute is the central research and development company of the Axel Johnson Group. The group, one of the largest industrial and commercial organisations in Sweden, employs approximately 22,000 employees and has a total sales of 3.5 billion dollars in the fields of international trade, shipping, special steels, engineering products, oil, contracting and building materials. The Institute is active in the fields of measuring technique, liquid/solids separation, energy conservation and metallurgy.



EUROPEAN NEWS

France's payments surplus tumbles

By Terry Oodsworth in Paris
FRANCE'S BALANCE of payments surplus was sharply reduced in the last quarter...

The payments figures have clearly been affected by the setback which France has experienced on its foreign trade account...

Air controllers call a halt to disruption

By David White in Paris
FRENCH AIR traffic controllers voted yesterday to suspend their three-week-old disruption campaign...

The decision by employees at the country's main control centre, at Athis-Mons near Paris...

ROMANIAN COMMUNIST CONFERENCE

Ceausescu urges Sino-Soviet accord

By ANTHONY ROBINSON IN BUCHAREST

THE CULT of personality which characterises the Romanian brand of nationalistic communism was heavily underlined at the opening of the 12th congress of the country's Communist Party yesterday.



President Ceausescu—a six-hour speech.

President Nicolae Ceausescu spoke for nearly six hours in a speech of praise and denunciation, and similar slogans from assembled delegates, including many women in national costume.

Despite the length of the speech, Mr. Ceausescu had little fresh to add in the way of policies...

While pledging formal loyalty to the Warsaw Pact and Comecon, the Romanian leader emphasised that "the unity and solidarity of the Socialist countries could be established only on the basis of the principles of scientific socialism."

equality and mutual respect, non-interference in internal affairs and mutual advantageous co-operation."

He singled out the need for disarmament as the most important objective of mankind and recommended all nations to follow Romania's recent action: Romania has reduced its arms budget this year...

He made an appeal to both Russia and China, whose respective delegations were carefully placed at opposite ends of the central podium...

The first third of Mr. Ceausescu's speech was devoted to economic matters. He outlined plans for continuing heavy investment of around 30 per cent of gross national products...

Gromyko in Spain to press for closer links

By ROBERT GRAHAM IN MADRID

THE SOVIET Foreign Minister, Mr. Andrei Gromyko, arrived here yesterday for a three-day visit, the first by a Soviet Foreign Minister to Spain.

Madrid established diplomatic relations with the Soviet Union (broken since the Civil War) in February, 1977. But the two sides have taken their time about raising the dialogue at ministerial level.

of Spanish diplomatic activity in Latin America and moves to strengthen ties with Cuba and the non-aligned movement.

No direct reference has been made about Spanish membership of NATO but when the Spanish Foreign Minister visited Moscow earlier this year, Mr. Gromyko underlined that the Soviet Union would like to see Spain follow a "peaceful" international policy.

ing that prompted a formal diplomatic rebuke. One of the principal themes during Mr. Gromyko's visit will be Spain's hosting in 1980 of the next stage of the European security conference.

The Middle East is also expected to be an important topic, given Spain's attitude to the Palestine Liberation Organisation—regarded as "constructive" by Moscow.

Bonn ready for talks on missiles, Brezhnev told

By JONATHAN CARR IN BONN

THE WEST German Chancellor, Herr Helmut Schmidt, has written to President Leonid Brezhnev, the Soviet leader, underlining Bonn's interest in an early start to East-West negotiations on limitation of intermediate range nuclear missiles.

Herr Schmidt's response, the contents of which were discussed in advance with Bonn's allies, comes on the eve of a visit here by Mr. Andrei Gromyko, the Soviet Foreign Minister, when arms limitation is expected to be a key issue.

NATO for serious talks on arms limitation—even though NATO is likely to decide next month on production of intermediate range missiles as a partial response to the Soviet threat in this field.

Bonn stresses that NATO should not only decide on missiles production. It must also take up formally Mr. Brezhnev's offer to negotiate on the intermediate range missile problem.

Reuter adds from Berlin: The Soviet Union would be ready to negotiate arms controls with the West even if NATO votes next month to deploy new missiles, a senior Kremlin official said in an interview published yesterday.

Optimism on Irish growth

By STEWART DALBY IN DUBLIN

ALLIED IRISH BANKS, Ireland's second-largest clearing bank, has published slightly more optimistic projections for the economy than other forecasters.

In the bank's latest quarterly bulletin, it predicts growth this year will amount to 3.5 per cent. This compares with the 2.5 per cent predicted by both the Central Bank and the Economic Social Research Institute, but is still below the Government target for growth of 4 per cent this year.

In what amounts to the first set of forecasts for 1980, the bank says it thinks Ireland's economy could grow by 3 per cent next year. It bases this on the fact that investment has been high, and that the trade imbalance, which others have put at over £1bn (£976m), will improve by December 31.

Fire losses show big rise over four years

By John Wicks in Zurich

LOSSES OF some SwFr 8,099m (£2,258m) were incurred in major fires around the world between 1975 and 1978, according to a report issued by Swiss Reinsurance Co. This compares with damage of only SwFr 5,079m (£1,410m) in the preceding four-year period.

There has been a marked rise in explosions as the most important known cause of fires, says the Swiss study. The 1971-74 figures show that 30.1 per cent (by value) of major fire losses were caused by explosions.

Over the whole eight-year period, Swiss Reinsurance says that most fire disasters occurred in Europe. However, Europe's position in the list of major fire locations dropped in terms of loss value from almost 80 per cent in 1972 to under 45 per cent last year.

The biggest fire losses since 1971 were Ford's spare parts store in Cologne in 1977 (SwFr 354m), a customs warehouse fire in Jullia, Iran, in the previous year (SwFr 355m) and a factory fire in Mainz in 1971 (SwFr 191m).

Demirel pledges tough action against terrorism

By METIN MUNIR IN ANKARA

TURKEY'S NEW Prime Minister, Mr. Suleyman Demirel, yesterday promised to pursue a tough policy towards the rampant terrorism which is claiming dozens of lives every month.

"My government believes that the country's principal problem is the security of life and property and reinstating order," he told Parliament.

the way he intended to deal with the depression now in its third year. However, he hinted that he might pursue an expansionist policy and resort to new borrowing. These are policies which could lead to disagreement with the International Monetary Fund and Turkey's other creditors.

"I believe that the great financial resources which have accumulated in the petroleum exporting countries and international banks can be transferred to Turkey in a regular manner and be placed at the disposal of our development."

Mr. Demirel also repeated a promise made by all Turkish Governments though none has kept it—to open the country to foreign capital.

Tanker fires still raging

ISTANBUL—Maritime officials warned yesterday that the fire raging aboard the Romanian tanker independent in Istanbul harbour could continue burning for a month.

Intense heat and smoke have prevented firemen assessing accurately the danger of an explosion, but the officials said the likelihood appeared to be receding.

when it was in collision with the 5,298-tonne Greek freighter Evriali. More than 40 of the tanker's crew are still missing.

The tanker is burning fiercely close to a breakwater near Istanbul's main railway station. Coastguard and navy fire-fighting boats are spraying a large oil slick with chemicals and have laid down floating barriers to contain it.

The world's smallest plain paper copier: It's the biggest idea since the mini.

When it was first introduced, the mini substantially altered people's attitudes to motor design in terms of its practical application. In the same way, Canon has anticipated a need for a compact, inexpensive and rugged plain paper copier...

system which works perfectly with ordinary paper, radically reduced the need for bulk. Fibre optics replaced the conventional mirror lens, and by making it seamless, Canon was able to reduce the size of the drum.

By thinking big on technology, Canon has produced the world's smallest plain paper copier—capable of much, much more than you'd believe possible. More versatility. The NP200 possesses an overfeed facility, providing the perfect answer if double-sided copies are required.

And it'll copy onto coloured paper, overhead projector film, diazo masters and labels, handling half-tones and solids in perfect detail.

More speed. The NP200 produces A4 copies at the rate of 20 per minute and full-size, A3 copies at 11 per minute.

More simplicity. The NP200 has an audible, touch-sensitive control panel assuring accuracy of selection. And a flat paper-feed system which enhances smoothness of operation and reduces the possibility of paper-jams.

More reliability. A micro-computer controls the machine's operation with split-second accuracy. And solid-state electronics means fewer mechanical parts, keeping downtime to an absolute minimum.

The world's smallest plain paper copier with all the biggest ideas costs nothing more than £2100. If you'd like to know more about it complete the coupon below.



To: Canon Business Machines (UK) Limited, Sunley House, Bedford Park, Croydon, CRO 0XF. Tel: 01-680 1966. I'd like to know more about the NP200. Please send me details of the rest of the Canon range.

Form with fields for Name, Position, Company, Address, Postcode, Telephone.

The new Canon NP200. The Little Big Idea.



The next step forward in copiers, calculators and microfilm.

REGIONAL CANON BUSINESS MACHINE CENTRES: BIRMINGHAM 01-454 5461, BRISTOL 0272 29961, GLASGOW 041-221 9772, LIVERPOOL 051-254 9652, LONDON 01-425 7890, MANCHESTER 0161-228 1852, SHEFFIELD 042 20899.

Cartier LTD. OFFERS HIGHEST PRICES FOR JEWELLERY. Antiques and modern. Also antique silver. Immediate payment. Complete privacy ensured.

COMPANY NOTICES

WESTERN MINING CORPORATION LIMITED. To the Holders of: U.S. \$15,000,000 9 1/2 per cent. Notes 1982 (the "Notes") and U.S. \$50,000,000 9 per cent. Bonds 1992 (the "Bonds")

LIJ OVERSEAS FINANCE N.V. GUARANTEED BONDS DUE 1983. S. G. WARBURG & CO. LTD. announce that the redemption installment of bonds due 15th December 1979...

THE COLNE VALLEY WATER COMPANY. NOTICE IS HEREBY GIVEN that the Transfer Books of all the ordinary shares of the Company will be closed on 20th December 1979...

LEGAL NOTICES. THE COMPANIES ACTS 1948 TO 1976. ENTERPRISE EXPRESS (SHIPPING) LIMITED. NOTICE IS HEREBY GIVEN, pursuant to section 283 of the Companies Act 1948...

EXHIBITIONS. THE SOMERSET HOUSE ART TREASURES EXHIBITION. Somerset House, Strand, London, WC2R 1JF. 22 November to 9 December 1979.

TRAVEL. GEVENA, Basle, Zurich and Berna, widest range of cheap flights from London to Geneva, Zurich and Berna.

Blackwell House, Aldenham Road, Watford, Hertfordshire, W02 2EY.

HOW MIDLAND BANK HELPS SMALL BUSINESSES.

If you run an independent business, your Midland manager can offer you all sorts of help.

Through medium-term loans, overdraft facilities, export finance, instalment finance, leasing, block discounting, advice on the stock market, factoring and off-shore financial services.

Through a special scheme for making financial help available to companies with an export turnover of £100,000 or less or those who export intermittently or who do not qualify for

normal ECGD insurance cover.

Through actually investing in your business—you retain control; we provide £5,000 or more of often much-needed capital.

Also, we have set up a special Independent Business Banking Unit, to provide a central focal point for our wide range of services to the small businessman.

If you'd like to know more about any or all of these services, visit your local Midland manager soon.

Small businesses profit from Midland teamwork.



Midland Bank

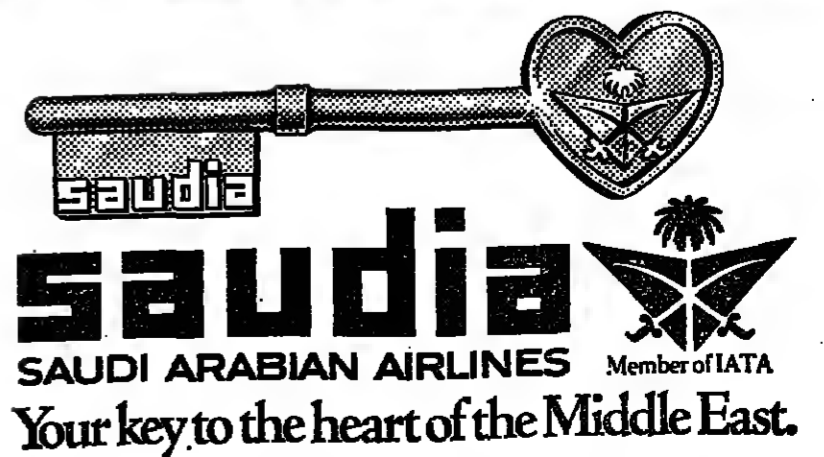
Midland Bank Limited



1400 A.H. A HAPPY NEW YEAR

Today, Muslims around the world celebrate their new year. And they celebrate it with a very special joy: for today marks the beginning of the fourteen-hundredth year of Islam. On this first day of 1400 A.H. Saudia, the International Airline of Saudi Arabia, would like to share this great moment in

time with you by offering sincere best wishes for the future. We hope that during the course of the year we will be able to offer you in person our most distinctive greeting aboard one of our luxury flights to the Kingdom. 'Ahlan wasahlan' - Saudia's very special welcome.



saudia
SAUDI ARABIAN AIRLINES Member of IATA
Your key to the heart of the Middle East.

NEWS ANALYSIS—COURTAULDS

BY RHYS DAVID

Textile hopes after cuts and closures

THE HALF-YEARLY results which Courtaulds, Europe's biggest textile company, is due to produce on Thursday will be looked at with more than usual interest...

under strong pressure in the UK and export markets. The UK textile industry as a whole has now lost 100,000 jobs since 1973...

the rest of the economy complex and diverse. The strength of sterling is blamed as part of the problem too...

Courtaulds' casualty, the problems have arisen as a result of changes in tyre construction towards steel-braced radials...

oil price increases. Courtaulds' production accounts for 11 per cent of world supply.

Lager price war 'next year'

BY CHRISTOPHER PARKES

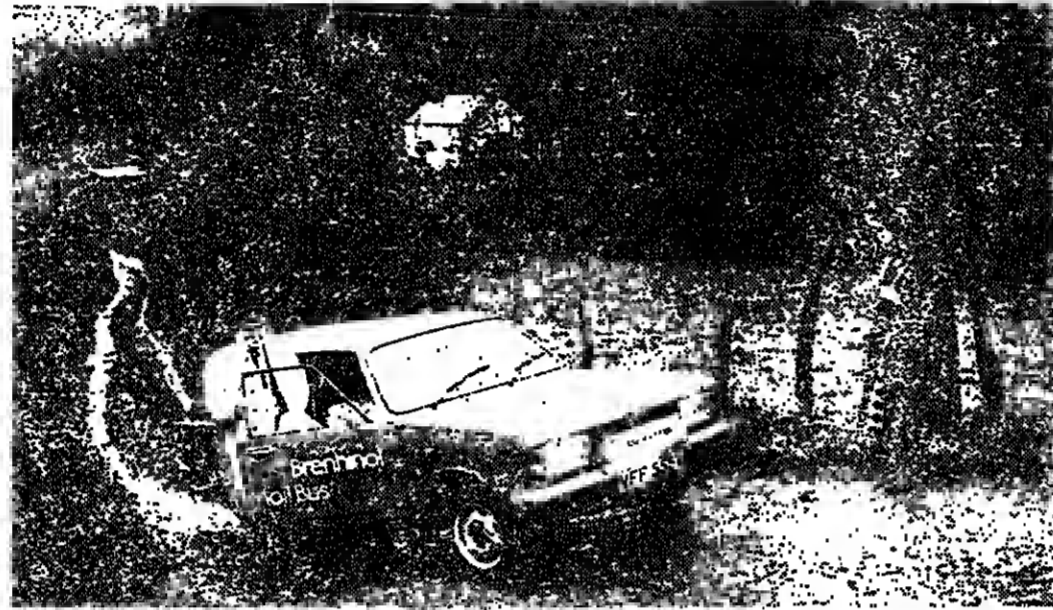
BRITISH LAGER brewers will join battle in a price war next year. Lager could enter the light ale price range...

particular brand promoted. Few campaigns conveyed the brand name effectively to the consumer.

Control over State industry 'must alter'

BY ROBIN REEVES, WELSH CORRESPONDENT

NEW GUIDELINES to formalise the relationship between Government, Parliament, and the nationalised industries were called for last night by Sir Francis Tombs...



WELSH PENSIONER Miss Margaret Morgan is picked up by the Post Office's latest postbus service launched yesterday...

Guernsey income tax by instalments

FINANCIAL TIMES REPORTER

GUERNSEY will introduce Employees Tax Instalment Scheme, a form of PAYE, on January 1. The scheme is designed to help islanders, who have a single income-tax rate of 20 per cent...

'Mix types of industry' in Scotland

Financial Times Reporter

THE REDUCTION in the pace of industrial expansion in the Scottish borders and approaching loss of its status as a special development area have led the regional council to recommend setting up mixed manufacturing and service industries side-by-side.

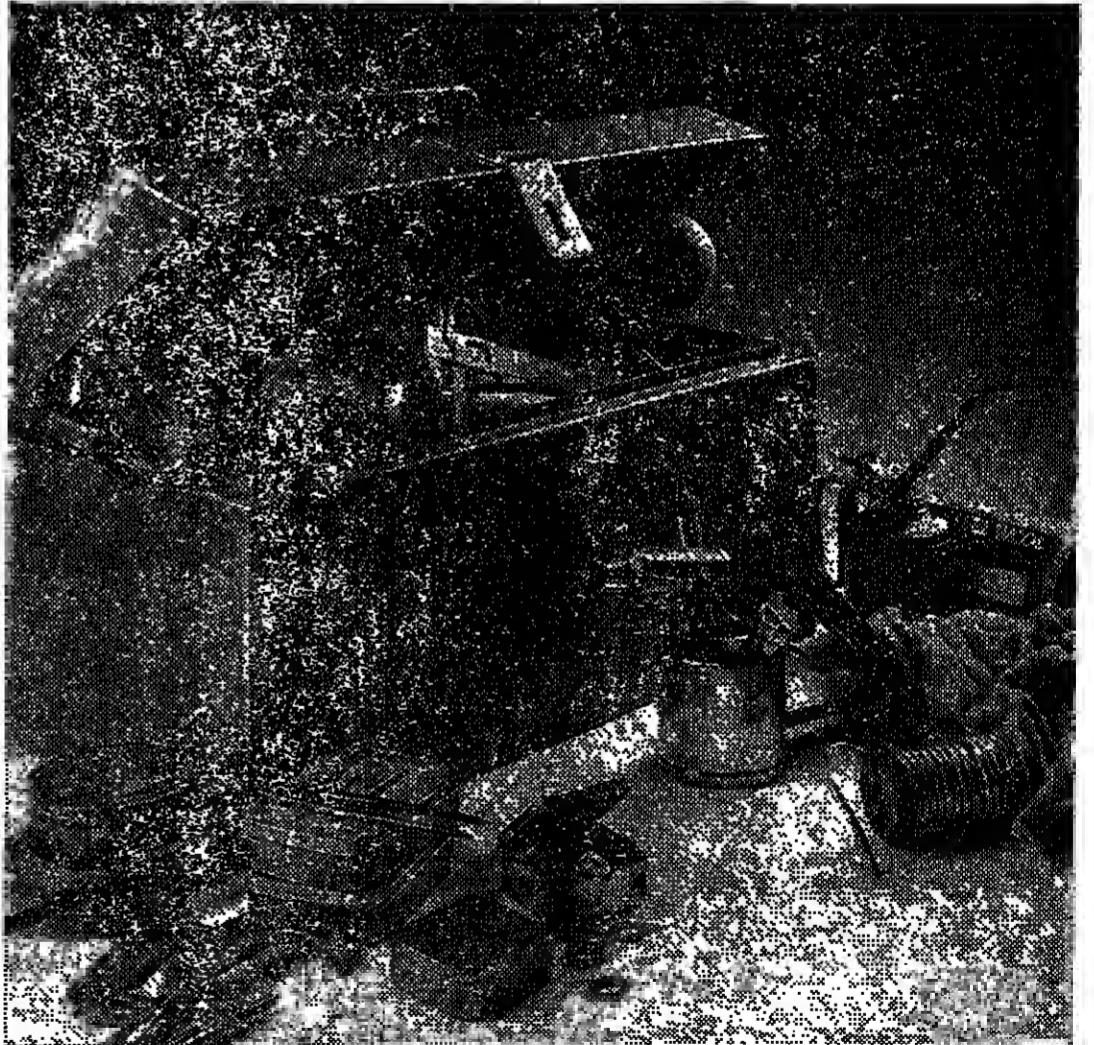
Farmer buys Aveling Marshall plant

Financial Times Reporter

MORE THAN 100 jobs have been saved at the Aveling Marshall engineering works at Gainsborough, part of BL, by the purchase of the crawler tractor section by a Lincolnshire businessman.

I'VE BEEN NURSING OUR BOILER MAN AND BOY FOR THIRTY YEARS

It's a proud achievement—or is it? However well-tended a 30-year-old boiler may be, it can still be made to perform more efficiently. Ask yourself just how much an out-of-date boiler system could be costing you.



real cost savings. Many started by making use of the help available under these two schemes. So if you think there's a chance your old boiler is losing the fire in its belly—fill in the coupon.

Tesco to open store in Wales

TESCO opens a new store in the Newport district centre at Talbot Green, Llantrisant, South Wales, today.

Eisteddfod plan

A £1m campaign to preserve the Royal National Eisteddfod was launched in Wales yesterday.

Rockware plan will cost 450 jobs

BY JAMES McDONALD

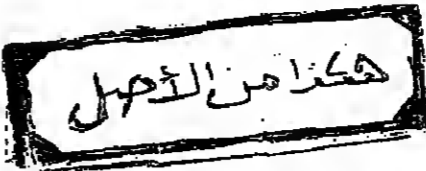
ABOUT 450 jobs—one-third of the staff—will be lost as a result of a reorganisation of the Rockware Glass factory at St Helens.

these plans to a successful conclusion. "Production facilities will be improved to allow the factory to concentrate on the manufacture of coloured glasses and to meet the level of demand anticipated in the future."

We'll send you details of the Energy Survey Scheme run by the Department of Energy. Through this scheme a consultant will give you advice on your boilerhouse and on the overall energy efficiency of your factory or office.

Form for Energy Survey Scheme, including fields for Name, Company, Address, and checkboxes for Energy Survey Scheme and Energy Conservation Scheme.

DEPARTMENT OF ENERGY F75 MAKE THE MOST OF ENERGY



By the way, what makes Swissair so attractive is this:

Main flight schedule table with columns for Flight No., Frequency, Aircraft, Class, SR, Rating, Day, Air, Flight time, and Arrival. Includes a legend for symbols and abbreviations.

Symbol and abbreviations: 1 Monday, 2 Tuesday, 3 Wednesday, 4 Thursday, 5 Friday, 6 Saturday, 7 Sunday, F First Class, Y Economy Class, A Antipodal, etc.

In case you don't like to read fine print: Swissair flies from and to more than 90 destinations all over the world. And in case you'd like more information on the best connections, your IATA travel agent or Swissair will be glad to provide it any time.



THE JOBS COLUMN

Sudden loud rattle of bones of contention

BY MICHAEL DIXON

IF YOUR life ever seems drably empty of controversy, the remedy is simple. Sit down and write a Jobs Column. Thereafter someone will always be arguing with you.

Periodically you will find that several people suddenly all raise the same topic, but without any particular prompting from the column or other evidence, public source. The phenomenon recalls the street games of my childhood near Manchester. At a certain time in spring, for instance, we would spontaneously stop playing with whips and tops and start doing repeated handstands against the street's railings, the little girls having first tucked their skirts up the legs of their navy blue bloomers. The upside-down elegance of June Jarrett, in particular, still touches my heart.

There is apparently no similar seasonal pattern to the sudden multiple raisings of some point of contention. But it is hard to believe that they occur by pure chance.

The latest such outbreak is half a dozen protests from readers within a few days, all on or about one topic. It is the alleged failure of this column to maintain a proper distinction between the two main methods used by "middlemen" consultants to find managerial and other kinds of

job-candidates for client employers.

On one hand there is the long-standing approach of advertising the job to be filled, and so generating replies from applicants.

On the other hand, there is the newer method of executive search. Here the consultant scans appropriate fields of employment seeking to identify particular people whose present and previous work evidently qualifies them for the job the client wants to fill. Having identified likely candidates in this way, the consultant approaches them individually and asks, often in a roundabout way, if they would be interested in moving to work for the client.

Castigated

Some consultancies use only one of these methods. Others will use both, according to the wants of the client employer.

Now four of the protests castigated me, with but slight differences of emphasis, for not clarifying when this column reports a particular job-opening offered through consultants, which method is being used. My reason lies in the words of the shotgun-befitting Quaker farmer who, annoyed by finding a man in his wife's wardrobe, asked his pacifist conscience by saying:

"I mean thee no harm, friend. But thou art standing where I am about to shoot."

What on earth, Gentlemen, would be the point of my stating which method was being used?

The Jobs Column is a free, purely editorial service. It will consider including any opening referred to it, either directly by the would-be employer or by a bona fide consultancy using any technique. The choice of which jobs to include is not influenced by whether the post is to be advertised or, if so, where. Since a major aim is to bring first news of job-opportunities to readers, the column naturally prefers not to mention posts already being advertised anywhere. But apart from that, as a professional imperative, I just do not want to know about plans for advertising or the lack of them.

Hence, Gentlemen, to the detailed reason why the column often includes openings offered through consultancies which are reputed to operate exclusively by executive search.

Such concerns—or many of them, anyway—do not believe that they are omiscient. Thus they know that their scannings of appropriate fields of employment for likely looking candidates, may well leave out of account some highly suitable person working beyond the consultancy's ken. And the Financial Times's readers—with few exceptions, Gentlemen—are

reputed to be people of high ability, and they work in numerous different parts of the world. I hope I do not need to spell out the connection.

But once the opening is reported in this space, whether the consultant is otherwise using the newer or the older method of recruiting, is of no consequence whatsoever. The job is thereby thrown open to inquiries and applications from all readers who are interested and feel that they may be suitable.

Now, if anyone has grown irritated over the past few minutes by my repeated use of the words "consultant" and "consultancy," there is a reason for it. The reason is that the first of the six similarly directed protests came from one John Reid who, as is hinted by his company's name: Executive Search, was one of the pioneers of the individual-approach technique in the United Kingdom.

After pointing out the differences between the two methods of recruitment, Mr. Reid took the column to task over its habitual terminology. Concerning using the technique he helped to pioneer, ought properly to be termed "executive search consultant." Those using the advertising-based method should be designated "executive selection consultants." Then he added:

"Neither of these professional recruiting consultants

deserves the perjorative term "headhunter," and I earnestly hope that you will not apply it to them from now on."

Since the column has regularly been so applying that term for nearly seven years, John Reid's complaint is arguably somewhat late in the day. And, as this discussion may perhaps have shown, I really do need short, alternative terms for the kinds of concerns who so often have to be described here.

Nor do I agree that "headhunter" is in any sense a pejorative or demeaning epithet. But if Mr. Reid's objection happens to denote a long-bottled-up resentment of my use of the word by significant numbers of readers, then all they have to do is to let me know, and I'll stop using it. The column raises more than enough controversy without needlessly needling people.

Hat in ring

Indeed, I dare say further contention may be awakened by the sixth protest, which happily was not directed at me. It has come from George Campbell-Johnston, whose eponymous consultancy firm recruits managers and specialists exclusively by the advertising method. And he has thrown his hat into the ring by contending that the individual approach method is more prone

than the advertising-based technique, to stray into practices of dubious morality.

Certainly search organisations, as organisations, guarantee clients for whom they find recruits, that they will not thereafter winkle out the same recruits or their company colleagues and use them to all jobs for other clients. Mr. Campbell-Johnston concedes.

But between these organisations there is a continual flow of individual consultants who, he argues, do not feel bound on entering their new job to refrain from poaching on their former employer's territory whose most marketable inhabitants are likely to be well remembered.

Moreover, Mr. Campbell-Johnston maintains that some searchers go beyond just inquiring whether their target candidates would be interested in changing his or her job, and impose subtle pressure on them to do so. The target is thereby personally induced to take a step which sometimes leads him or her to disaster. While similar misfortunes may equally befall people recruited by advertising, he thinks, they at least made the first step on their own initiative.

Just in case that should seem insufficiently controversial, I'd better add that he claims the advertising method to be generally quicker, and often cheaper.

£6,000

accountancy appointments

£9,000

Robert Half advertisement. Includes sections: BUSINESS ANALYST (£8,500 + Car), FINANCIAL CONTROLLER (£8,500), BUSINESS DEVELOPMENT (£9,000 + home), OVERSEAS WITHIN 2 YEARS (£8,500), YOUNG ACCOUNTANT (£8,000).

ROBERT HALF Accountancy & Financial personnel specialists

Young Chartered Accountant advertisement. West London, c. £8,000 + benefits. An exceptional opportunity has been created in the Treasury function of a major progressive U.K. Group...

International Banking Chartered Accountant advertisement. Circa £8,000/£9,000. We are a major American Bank, with growing international interests seeking a chartered accountant to join its London-based internal auditing team for audit work at senior level.

PWA Newly Qualified advertisement. London W1 to £8500. The Accountant will be responsible for a variety of tasks which will provide an excellent introduction to commerce. Reporting to and working closely with the Financial Controller, he or she will supervise a small department in the preparation of accounts and management information...

Disbursement Accountants advertisement. Felixstowe £9,000 neg. A busy shipping line requires experienced disbursement accountants to analyse and prepare voyage accounts.

Assistant Accountant Personnel Officer advertisement. REQUIRED FOR SEMI-PROFESSIONAL ASSOCIATION. Sound working accounts ability combined with pleasant manner essential. Good salary and congenial conditions offered.

RSVP Financial Accountant advertisement. Atlantic House, 351 Oxford Street, London W1R 1FA. Tel: 01-629 2667. Financial Accountant Early/Mid 20s West End, up to £8,500. This position, within a major British textile Group, will provide a young qualified accountant with all round experience and excellent career prospects.

FINANCIAL CONTROLLER and COMPANY SECRETARY Manchester advertisement. One of the largest U.K. Research Associations seeks to appoint a qualified Accountant to take responsibility for Financial Accounting Management Accounting Company Secretarial matters.

TRINITY COLLEGE OF MUSIC LONDON Accountant advertisement. Trinity College of Music is one of the country's leading institutions for teaching music and also provides a world-wide external examinations service.

BERMUDA CHARTERED OR CERTIFIED ACCOUNTANT advertisement. Applications are invited from chartered or certified accountants with broad experience of liquidations, bankruptcies and receiverships. An initial contract of two years is envisaged with an option to renew for a further term by mutual agreement. Salary negotiable.

£6,000 accountancy appointments £9,000. These advertisements appeared in the Financial Times on 13th Nov., 1979. Table with columns: Job Title, Salary, Location, Advertiser.

CHUBB FIRE SECURITY LIMITED Accounts/Financial Manager SAUDI ARABIA advertisement. We are a major industrial Company specialising in the design and development of a wide range of modern Fire Fighting end Safety Equipment.

Financial Director advertisement. A Company in the West London area, part of a major international Group, wishes to appoint a Financial Director who, as a full member of the Board, would contribute to the business policy of the Company, as well as providing cost and financial guidance to the Managing Director.

هكلام من الأصيل



**Chivas Regal is always twelve years old.
Rarely thirteen.**

FINANCIAL TIMES SURVEY

Tuesday November 20 1979

SWISS CAPITAL MARKETS

This is an historic year for Switzerland and for international finance. In a complete reversal of traditional attitudes the Swiss authorities have progressively dismantled the protective wall around the country's economy and currency, and allowed the franc to develop a much wider world role.

The barriers come down

By Nicholas Colchester

FOR A little over a year a remarkable and consistent change in Switzerland's international monetary stance has been evident. Until October 1978 Switzerland could have been described as a monetary fortress. By erecting an ever more complicated system of barriers against international investors, the Swiss authorities attempted to protect their internal monetary economy against the turbulence of the monetary world outside.

This strategy proved painful. Currency diversification, both by central banks and by private investors, was already firmly underway. The policy of only limited intervention by the Swiss National Bank to protect

a conservative monetary growth target, coupled with the existence of these barriers, only reinforced the attractions of the Swiss franc as one of the alternatives to the dollar.

As the accompanying chart shows, the Swiss franc rose to unprecedented heights. Switzerland's exporters and hoteliers complained at their new-found lack of competitiveness. The Swiss banks came under fire as scapegoats for the excessive value of the Swiss franc. Yet the banks were unhappy too. Fewer borrowers dared to borrow francs because of the speed at which the currency threatened to appreciate. Foreign investors were forbidden to buy any Swiss securities. It seemed that the shutters were going up on Finanzplatz Schweiz.

So late last year there was a sudden reversal in strategy. The first novelty was heavy intervention in favour of the dollar, with the Swiss money supply an object. This was coupled with a statement of the National Bank's intent to keep the Deutsche Mark rate against the Swiss franc at well above SwFr 0.80. There was also a slight relaxation of the inward investment ban.

Since then the moves towards deregulation have continued apace. They provide mounting evidence that the National Bank has decided to integrate Switzerland into the international monetary system, such

as it is, and to combat unwanted pressures on the Swiss monetary economy not by outright resistance — the immovable object versus the irresistible force — but by accommodating them in a manner which provides some control over their impact.

The best example of this is the development of the central bank's thinking about the role of the Swiss franc as a reserve currency. In the past year the National Bank has appeared increasingly ready to allow foreign central banks a controlled access to Swiss franc investment — a means of access which does not store up too many destabilising consequences for the Swiss franc exchange rate in the future.

Permission

One recent example was the permission given to the World Bank to sell SwFr 200m of 4-year notes to foreign central banks. The National Bank president, Dr. Fritz Lenzwiler, has since said that similar placings in Swiss francs by other supranational financing agencies may follow. The logic here is that these agencies borrow sizeable amounts of Swiss francs for on-lending to developing countries. The developing countries thus incur Swiss franc liabilities and express an understandable desire to cover themselves

against this exchange risk by investing some of their reserves in Swiss francs. The Swiss banks' issuing departments which arrange World Bank financing in Swiss francs, are thus co-beneficiaries of this gesture.

Very recently Dr. Lenzwiler has suggested that the National Bank might issue Swiss franc securities directly to foreign central banks, or even allow them to open Swiss franc accounts with the National Bank. The advantage would be that the National Bank would accept dollars directly in exchange for the Swiss franc investment and thus, at its own potential cost, protect the dollar/franc exchange rate from the impact of this reserve diversification.

More tangible evidence of the new spirit of deregulation is the way the list of Swiss inward exchange controls has dwindled over the past 12 months. In this survey a year ago the list of these controls filled a quarter of a page. Today at least three-quarters of them no longer apply.

Rules on the import of banknotes, on the foreign currency operations of Swiss banks and companies, and — above all — the ban on foreign investment in Swiss securities have been swept away. What remains are the negative interest provision for foreign Swiss franc deposits and the effective blocking of borrowing abroad by Swiss non-

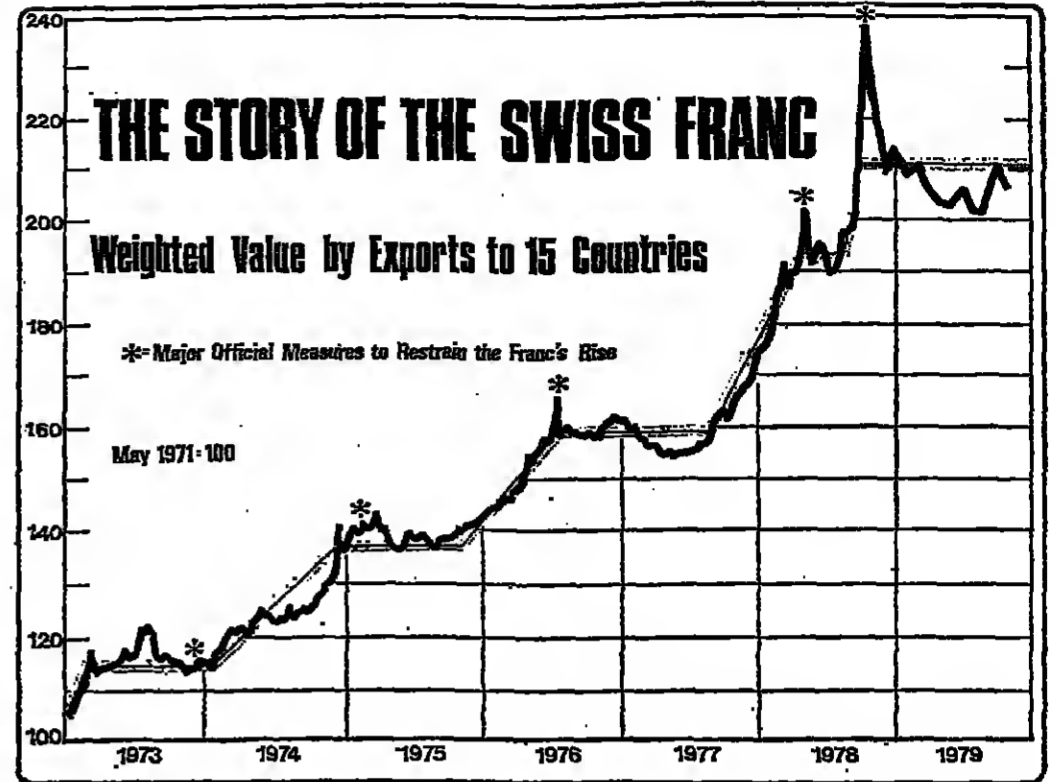
banks. The negative interest rate was recently reduced from 10 per cent per quarter to 10 per cent per annum.

The new strategy has been very successful in stabilising the franc rate. The initial impact of the heavy intervention was to drop the Swiss franc from below 80 rappen to the D-mark to around 90 rappen at the end of March. As the chart shows, the trade-weighted National Bank index has not moved significantly since. Indeed the currency markets have come to regard the rate of SwFr 0.80 to the D-mark as the rate to which the National Bank is adhering for the moment.

The cost of this stability has been a rapid run-up in the Swiss money supply and a degree of imported inflation which is at odds with Switzerland's record in recent years. In the early months of this year the Swiss monetary base and M1 were both registering annual growth rates of over 20 per cent because of the Swiss francs paid out in support of the dollar late in the previous year.

Quandary

The National Bank used the period of dollar stability in the spring to regain its grip on the money supply. It bought some SwFr 6.1bn in the second quarter, whereas in the whole of the previous year it had sold some SwFr 22bn in support



of the dollar. It used the stabilisation paper to drain liquidity out of the Swiss banking system.

By late summer the money supply growth was back to a single figure rate, only to be threatened again by another dollar crisis. Intervention in the currency markets is the dominant tool of Swiss money supply control and it seems likely that the dollar's renewed weakness put the National Bank in quite a quandary. It was the D-mark which bore the brunt of the speculative flows this time — not the franc. At the same time Swiss inflation was mounting and money supply growth still worryingly high. So the National Bank had little motive to support the dollar, and in fact only bought about SwFr 1bn of dollars in the third quarter.

For this reason the new concept of U.S. monetary control introduced in October by Mr. Paul Volcker, head of the U.S. Federal Reserve Board, came as a relief to the National Bank. It improved the atmosphere between the National Bank, the Bundesbank and the Federal Reserve in that the two strong currency central banks were able to agree to hold off on

dollar sales (which would reduce their own money supplies) to help the dollar re-establish itself firmly.

So the National Bank is now working on alternatives to intervention to control Swiss money supply. Its latest project is to issue short-term paper itself in addition to the new short-term paper — roughly equivalent to Treasury Bills — which it has twice issued for the Swiss Government during 1979.

Both types of paper — and future paper which will be issued by the private sector — are part of the long-heralded build-up of the Swiss money market, something which the country does not really have at the moment.

Determinant

As a later article describes, this market will allow the supply and demand of short-term funds in Switzerland to act as a more effective counterbalance to supply and demand in the Euro-franc market, which is currently the chief determinant of Swiss franc interest rates. The big Swiss banks appear to be rather against the development; they prefer to play a leading role in determining a somewhat arti-

ficial domestic interest rate structure. But the National Bank's plans are another example of the new policy of removing Switzerland's monetary cocoon and letting market forces express themselves.

As a result of the changed approach, inflation in Switzerland this year has been easing up towards that of its major currency and trading partner West Germany. In October the rate of increase in consumer prices was 5 per cent. This appears quite a dramatic shift for a country where inflation in the previous three years was below 2 per cent, yet it is quite plainly the result of comparison with a period when the Swiss franc was demonstrating unrealistic strength. It was during October and November last year that the Swiss franc tumbled by 13 per cent on a trade-weighted basis to what, broadly speaking, has been its stable level since.

This rate of inflation may thus be transitory, but coupled with the de facto link of the Swiss franc to the Deutsche Mark it has affected the attitude of overseas investors towards the currency. The yield necessary to float a Swiss franc foreign bond has risen from 3½ per cent to 5 per cent in the course of this year.



BANCA DELLA SVIZZERA ITALIANA

HEAD OFFICE AND GENERAL MANAGEMENT: LUGANO
 BRANCHES AND AGENCIES IN SWITZERLAND: Bellinzona, Chiasso, Locarno, Mendrisio, St. Moritz, Zurich, Agno, Airolo, Biasca, Faido, Giubiasco, Melide, Savosa, Tesserete, Viganello, Acquarossa, Bignasco.
 AFFILIATED BANK IN SWITZERLAND: Adler Bank, Basle; Banque Romande, Geneva, Lausanne, Martigny.
 BRANCH ABROAD: Nassau (Bahamas).
 REPRESENTATIVE OFFICES ABROAD: Caracas, Paris.
 AFFILIATES BANK AND COMPANIES ABROAD: Banca della Svizzera Italiana (Overseas) Ltd., Nassau (Bahamas); Banca della Svizzera Italiana Securities Corp., New York; B. S. I. Services (Guernsey) Limited, St. Peter Port, Guernsey (Channel) Islands; Compagnie Monégasque de Banque, Monaco; Société Européenne de Banque, Luxembourg.

Handelsfinance Bank

Established 1953

The oldest European Consortia Bank offering 26 years of experience in
 Short - Medium Term Finance Eurocurrency Deposits
 Export Finance without recourse Foreign Exchange spot and forward

Shareholders

Banca Commerciale Italiana, Union Bank of Switzerland
 Credit Suisse, Sumitomo Bank Limited

Place de la Fusterie, 3bis 1204 GENEVE

Tel.: 022/28 54 44.

Telex: 28 96 81-84

Cable: **HF BANK**



SODITIC S.A.

Short and medium-term euro-currency loans.
 Export and project financing without recourse.
 Swiss Franc credits, private placements & public issues.

1211 GENEVA 3 SWITZERLAND

118, rue du Rhône
 P.O.B. 884

Telephone (022) 36 41 55
 Telex 23 593 sodd

Switzerland's «Big Five»

Bank Leu
Credit Suisse
Swiss Bank Corporation
Swiss Volksbank
Union Bank of Switzerland

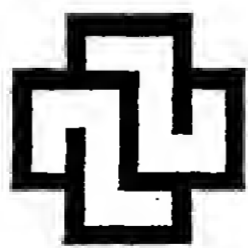
A major force in international banking

Know-how based on experience,
strong financial resources,
an innovative spirit coupled with a
tradition of reliability:

The quintessence
of Swiss banking and of
Switzerland as a financial centre
of world renown.



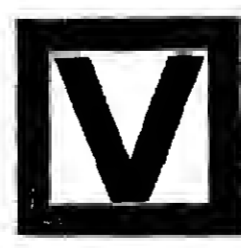
Bank Leu



Credit Suisse



Swiss Bank
Corporation



Swiss
Volksbank



Union Bank
of Switzerland

22 LOMBARD

The illusions of employers

BY ANATOLE KALETSKY

WHEN THE Trades Union Congress held its annual conference in Blackpool two months ago, Sir Geoffrey Howe proclaimed that Britain's trades unions were living in "a dream world, totally divorced from economic reality."

Obsession

Union militants dream of a world in which market forces could be over-ruled and conservative governments overthrown by "mass mobilisation."

Admittedly, legally binding employment contracts work perfectly well in many societies that do not practise slavery. In Germany and Japan unions sign agreements, sometimes for two or three years at a time, and (usually) abide by them.

The issue of legally binding contracts illustrates most clearly the misconception on which much of Britain's industrial thinking is based. Many

TO THE visitor Alsace is probably the most agreeable wine district in France in which to spend a few days, and the most dangerous. Agreeable, because below the impressive but not too formidable green crests of the Vosges mountains, the vineyards surround a series of fair-tale, half-timbered villages; dangerous, because the gastronomy is enticingly rich.

There are no fewer than 30 starred-restaurants in the area, including the three-star Auberge de Till at Illhaeussem near the Rhine. Although nowadays the cuisine viticole has reached Alsace via the Belfort Gap, through which the Allied armies have marched on somewhat different fare, the tradition of foie gras and duck remains, while the white wines are less innocent than they appear.

Blending

Alsace wines have, of course, had an unusual history. From 1870 to 1918 the territory was part of Germany and the wines used only as a source of cheap blending wines. Deliberately, one may fairly say, they were down-graded, as shown by the fact that the overwhelmingly common grape was the Chassagne, which produces very ordinary wine. With the recovery

of Alsace by France after the First World War, a long, difficult struggle took place to establish the quality and the reputation of the wines. They were almost unknown in Britain until the mid-1930s, when Hugel of Riquewihr, still dominant in the market here, sold the first parcel of their wine to the Savoy Hotel and the first bulk consignment to the Wine Society.

The result was that many members of the wine firms found themselves unwillingly recruited into the German army to fight against the Allies on the Western and Eastern fronts. Moreover, the Allied advance down the Rhine, and in particular the fighting in the Colmar Pocket, caused immense damage to the attractive wine villages. Bennwihr, now the home of one of the largest wine co-operatives, was virtually destroyed, though Riquewihr, Eguisheim and Kayserberg were miraculously spared. So too was most of Colmar itself, now one of the most charming towns in all France.

Like its neighbours across the river in Baden the permitted yield is much higher in Alsace than elsewhere in France. In the prolific vintage of 1977 it exceeded the normal maximum of 100 hl per ha, and usually surpasses 80 hl, whereas basic AC wines in Bordeaux, the Rhone, etc., usually have a standard figure of 50 hl. Though this may be increased from year to year. These big yields, often higher

The AC vineyard area has been gradually increased—an average of 1% per cent over the last twenty years. In 1968 it was about 9,500 ha (about 23,500 acres), today around 12,000 ha, and it is one of the few AC districts in which substantial increases have been permitted

on the other side of the Rhine, do not imply any dilution of quality. Alsace wines account for 10 per cent of the whole French AC production and almost 20 per cent of the French white wine ACs.

WINE

BY EDMUND PENNING-ROWSELL

since the slump years in the middle of this decade. It is now going up by about 300 ha a year, and will reach its maximum of 15,500 ha by 1985, with an average production of 1.1m hl (about 33m gallons), compared with 800,000-850,000 ha today.

Higher yield

Like its neighbours across the river in Baden the permitted yield is much higher in Alsace than elsewhere in France. In the prolific vintage of 1977 it exceeded the normal maximum of 100 hl per ha, and usually surpasses 80 hl, whereas basic AC wines in Bordeaux, the Rhone, etc., usually have a standard figure of 50 hl. Though this may be increased from year to year. These big yields, often higher

the first seven months of this year show a fall of about one quarter compared with last year, though higher prices have kept revenue still marginally ahead of 1978. The prolific vintage of 1978 will restore depleted stocks and keep prices stable, though it would be optimistic to expect them to go down.

Not surprisingly, in view of history and proximity, the Germans are far and away the biggest buyers of Alsace wine. In its most export year in the 1970s they have taken at least half the total exports and in 1978 they took two-thirds (114,000 hl). German tastes are said to be turning towards early vintage, and the usually vinous fermented-out Alsace should benefit from this, though they are dearer than the run-of-the-mill wines from Rheinhessen and the Pfalz.

Surprising

What does seem surprising is how little wine in Britain appears to drink Alsace wines. Although demand has been increasing in recent years, the total for 1978 was only 8,000 hl, representing a mere 4.8 per cent of the region's exports. True, we are fourth on the list following Belgium/Luxembourg (15,000 hl) and Holland (10,000 hl), but in no other fine AC wine area do we rate as such small purchasers. The qualities of these wines will be discussed in a further article.

Diab looks best at Leicester

AS WAS the case yesterday, there were three meetings today, at Ayr, Leicester and Devon and Exeter; and from 19 races, I find it possible to nominate only one horse on whom I would advise placing other than a modest wager.

RACING

and who finished second by a short head to hot favourite, Born To Reason, at Newbury a fortnight ago, with the third horse beaten almost out of sight.

but nevertheless this race has the makings of a good contest, with Father Delaney, Don't Forget and Stay-Bell the main contenders. Father Delaney who fell at the first fence when favourite at Wetherby last time, is normally a safe jumper and is taken to be the favourite at Devon and Exeter, Nessie who was backed from 16-1 to 6-1 before finishing third at Wincanton at the start of the month, can show that confidence in his ability was not misplaced by winning the Staverton Handicap Hurdle (2.30)

LEICESTER

1.00-Diab*** 2.00-Fitgrove** 3.00-Greenways 3.30-Speed Bonnie Boat 4.00-Ayr 4.30-Tutor Folly 4.55-Father Delaney 5.25-Riador 5.55-Apache Pass 6.25-Nessie* 6.55-Hectare

ENTERTAINMENT GUIDE

ENTERTAINMENT GUIDE listing various theatrical productions, operas, and cinema listings across different venues.

Diab looks best at Leicester - continued racing news and results from various tracks.

GRAMPIAN, GRANADA, HTV, SCOTTISH, SOUTHERN, TYNE TEES, ULSTER, WESTWARD, YORKSHIRE - regional television listings.

BBC 1, BBC 2, ANGLIA, ATY, BORDER, CHANNEL - BBC television listings.

F.T. CROSSWORD PUZZLE No. 4130

Crossword puzzle grid with numbers and clues.

ACROSS and DOWN crossword clues and solutions.

Radio Wavelengths listing various radio stations and their frequencies.

RADIO 1, RADIO 2, RADIO 3 listings and program details.

ART GALLERIES listing various art exhibitions and galleries.

CLUBS listing various social clubs and events.

CLASSIFIED ADVERTISEMENT RATES table with per line and single column rates.

Breaking up the BBC

THE BBC is in political trouble again. Not only is there the case of the Pomarano team which filmed the Provisional IRA at work in Northern Ireland without informing the appropriate authorities...

out to be. In fact, it is not. The BBC is no longer, if it ever was, the guardian of the best of the English language.

Dialogue with Latin America

The visit of Herr Wilhelm Haferkamp, Vice-President of the European Economic Commission to Mexico last week...

As the world oil crisis has deepened the EEC has been increasingly conscious of its interest in the petroleum resources and the other raw materials in Latin America.

While Venezuela continues to find a market for its oil, more particularly in the U.S., many European countries have been jostling in the queue to obtain a share of the fast growing oil exports of Mexico.

For the past three years Latin America has run a surplus with the Community which has ranged between about \$100 and \$150 million.

The visit of the Commission in July of President Julio Cesar Turbay, the Colombian Head of State, was a symbol of the particular links with the Andean bloc.

There remains a great deal to do nevertheless. Herr Haferkamp's two visits should be welcomed as a well planned and shrewdly timed initiative.

TWO YEARS AFTER MR. SADAT'S VISIT TO ISRAEL

The mirage of a Middle East peace

BY ROGER MATTHEWS, Cairo Correspondent

TWO YEARS after President Anwar Sadat's initial visit to Israel the Egyptian leader remains publicly but not transparently optimistic about the chances of a comprehensive Middle East settlement as ever he has been.

Seen from almost anywhere in the Arab world, other than Cairo, the prospects of a just peace have even diminished and Mr. Sadat's actions are blamed for contributing to a mood of unease and frustration that at times appears to hode ill for the stability of the region, and therefore for the economic well-being of the industrialised world.

Never the same again

For President Sadat and those of his officials who have managed to keep pace with him over the past 24 months the Middle East will never be the same again. They see that a quantum leap has occurred and one that what has happened subsequently in Egypt or Israel, can never be set aside because the basic idea of peace is so deeply appealing to the peoples of both countries.

The initial euphoria in Egypt here witness to the relief that accompanied Mr. Sadat's pledges that sons would no longer have to die on the battlefield and that the battered economy could now be reconstructed.

Some Egyptians, especially among the newly-minted entrepreneurial class which has benefited most from the inflow of Western aid are very happy to see it that way and cheerfully trot out the hoary old cynicism

The hostility of the Arab world is largely dismissed by Mr. Sadat's aides as a transient mood that reflects the difficult psychological adjustment that those countries must go through before they come to terms with the new facts that have been created.

But that does not mean that the rest of the Arab world will not eventually have to accept the peace treaty as a fact, cannot seek to take advantage of whatever new circumstances it might have helped to create, or will rid itself of the belief that the Egyptian people will before long discover the error of their President's ways and remove him.

What Mr. Sadat has so far achieved in the pan-Arab interest, or more importantly what he has done to change public opinion in the United States, is a subject for endless argument. To the unbending, he is a Third World puppet having his strings pulled by the Jewish lobby in Washington; the more pragmatic might reluctantly admit that the fresh attention he has brought to the Middle East combined with the effects of the Iranian revolution and the energy crisis could yet mesh with American self-interest to force a just solution on Israel.

Optimism on this score has, however, waned in the past two years. In Beirut, Damascus and Amman an abiding belief that the U.S. can or will force Israel to negotiate seriously has been negated by the attitudes and actions of Mr. Menachem Begin's government since President Sadat's visit.

West Bank pointers

Officials point to the meekness of U.S. protests when Israel hurls fresh settlements on Arab land, the U.S. failure to stop the ecological balance of the West Bank being altered by the Israeli " theft " of water resources from Arab farmers and the use of the most sophisticated U.S. weaponry last year to invade southern Lebanon and this year to shoot down nine Syrian fighters, the expulsion of Palestinian leaders from the occupied territories—and all this at a time when the U.S. and Israel are publicly proclaiming their commitment to a comprehensive Middle East peace.



A happy moment for Egypt's President Sadat (left), Mr. Jimmy Carter and Israeli Prime Minister Mr. Menachem Begin after the signing of the Middle East peace treaty in March of this year.

one to be completed next May. Scarcely any agreement on matters of substance has been reached so far, even though the Egyptian, Israeli and U.S. negotiators have been concentrating on by far the easiest part of the package—the modalities for West Bank and Gaza elections to a Palestinian self-rule authority.

Solid front weakening

Hence the detestation of President Sadat, the wariness with which President Hafez al-Assad of Syria is watching the manoeuvrings of Mr. Arafat, the rivalries within the PLO, the regular shuffling between Arab capitals of that remarkable survivor, King Hussein of Jordan, still only 44 and 37 years on the throne, and the widespread dislike of Saudi Arabia which is perceived to use its vast wealth without any effective commitment to the Palestinian cause.

Collectively and individually, the Arab countries also appear less prepared than they were a year ago for any joint action. The revolution and Islamic revival in Iran is a profound pre-occupation for the conservative monarchies of the Gulf and for Iraq, which has a large Shi'a Moslem population and a history of violent conflict with the Kurds, who are again fighting for self-determination. The prospect of a newly strengthened eastern front to challenge Israel collapsed with the end of the brief rapprochement between Syria and Iraq.

For an American President who shares so many of the basic tenets of Middle Eastern leadership—capitalism, religion and anti-Communism—it is alarming to find just how much ground Mr. Carter has lost during the past two years. He is now blamed at least as much as Mr. Sadat for what is happening in the Middle East.

But given that most of the Arab nations were born in their present form only during the past four decades, have leaderships which are all sharply conscious of the need to establish their legitimacy, and are all to a greater or lesser extent struggling to come to terms with the impact of wealth and Western culture on basically rigid and conservative societies, it is hardly surprising that they reject precipitate actions which could undermine their stability.

MEN AND MATTERS

New growlings about dogs

Things are looking up for that beleaguered minority who cannot understand why, in the face of health and education cuts, the dog should remain a fiscal sacred cow. The licence costs those who bother to pay it 37p, a pale shadow of the 7s. 6d. fixed a century ago.

An adjournment debate late on Thursday night last week, failed, what with one thing and another, to make the front pages. But the Tory MP for Northampton, Tony Marlow, a member of the League for the Introduction of Canine Controls (LICC), and Clive Soley, Labour member for Hammesmuth North, made some telling points about toxocarosis, the need to raise the licence fee and the desirability of issuing licences only to dogs furnished with veterinary certificates of good health.

Today a question is to be asked in the House, quite independently, by Marlow's Tory colleague Tony Speller, who won North Devon from Jeremy Thorpe in the May election. He is also raising the question of the dog licence. "By now," he says, "it must be costing more to collect than it raises. According to the CBF's latest figures the cost of sending out a standard letter is £2.50. My own belief is that by the time the tax has been administered it costs £3 a time to collect; as a simple Tory it makes no sense to me at all."

Thinking alike The Carter Administration is having some difficulty determining who on earth it ought to be talking to in Iran. But the Ayatollah Khomeini and those who advise him are displaying a distinctly un-seventeenth century awareness of the medium of television in getting the message across to the American public.

On Sunday night all three commercial U.S. networks, CBS, NBC and ABC, featured 15 minute interviews with the Ayatollah in Qom, all filmed earlier in the day and just three days after Khomeini had announced to the world that he was tired and going into seclusion for three weeks.

Peel power

Not since the heyday of chicken manure as the auto-propellant of the future has a more unlikely source of energy been discovered than orange peel. Francisco Rossi, a Brazilian Congressman from Sao Paulo, has taken to running his Volkswagen Passat on just that. Recently he drove his car more than 600 miles from Sao Paulo to Brasilia. With its glass tank full of orange peel essence strapped to the roof, it stands in the Congress car park available to anyone wishing to take it for a trial run.

Price of fame Around the world, wherever accountants gather, it is of the Association of Certified Accountants that they often speak. No wonder, for it is the professional alma mater to hundreds of thousands of them, having provided them with their hark education in the art and according thereof the status which few other bodies can reach. At the Lincoln's Inn Fields HQ, students are represented by pins on a map—even the three in the Seychelles.

emerge with the qualifications they need, and those who do drop out—should they have the capacity to add up the amounts involved—must reckon on paying out at least £110, and in some cases a great deal more, for the privilege of putting ACCA (failed) after his or her name. The association stresses that it does not exist to make a profit and was embarrassed last year to have to refund £250,000 in excess takings. Since 65,000 students are on its books at the moment, 25,000 of them from overseas, the annual income is substantial and balance remains healthy—even to an accountant's rheumy eyes.

At the moment a brand new examination syllabus is being prepared, to be brought into operation for the next academic year, and there is a growing threat from inter-communal violence. Colonel Khedafi of Libya is really not taken very seriously by any of

When you are getting on in years and find that you can no longer cope, it is good to know that the Distressed Gentlefolk's Aid Association runs 13 rather special Residential and Nursing Homes for people like you.

They are special because the DGAA understand the problems of the elderly—and, in particular, of the elderly who have known "better days". People are always given a place in a Home where they will "fit-in", where the others are the same sort of person with much the same sort of problems.

This is vital work. It is work that must be done with sympathy, with understanding and with experience. It is work to which we have been dedicated since 1897.

The DGAA needs your donation urgently. And please, do remember the DGAA when making out your Will.



"I know it's a charity, but it never feels like one."

When you are getting on in years and find that you can no longer cope, it is good to know that the Distressed Gentlefolk's Aid Association runs 13 rather special Residential and Nursing Homes for people like you.

They are special because the DGAA understand the problems of the elderly—and, in particular, of the elderly who have known "better days". People are always given a place in a Home where they will "fit-in", where the others are the same sort of person with much the same sort of problems.

This is vital work. It is work that must be done with sympathy, with understanding and with experience. It is work to which we have been dedicated since 1897.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

25, The Gable House, Victoria Gate, Kensington, London W8 4AQ "Help them grow old with dignity"

Thermo-Skyships lowers sights with £3m cash call

Thermo-Skyships, the Isle of Man aerospace company, is hoping to raise £3.2m through the issue of 2.56m shares at 125p. If successful, the issue will fund the first two stages of a £30.7m programme to assemble the pre-production model of a commercial skyship.

The cash call follows the failure in July this year of a scheme to raise £6.4m through a combination of share and loan stock. The earlier venture received subscriptions from private investors for only 6 per cent of the total required and obtained no institutional backers.

Mr. John Wilde, of John Siddall, said yesterday that he was quite certain the new issue would be a success. Five institutions (four from Scotland and one from England) have already agreed to back the venture and, according to Mr. Wilde, others are interested.

Conder Intl. placing at 90p: forecasts big profit rise

Conder International, the Winchester-based steel-framed building manufacturer which is coming to the market on Friday by way of an introduction, is valued at £7.4m at the placing price of 90p per share.

Mr. Cole states that the newer enterprises in the fields of building services, building products and water and effluent treatment plant also provide potential for long-term growth.

The group employs about 2,000 staff who, directly and indirectly, control two-thirds of the company's shares; directors and their families own just over a fifth of the equity while other employees own about 22 per cent individually and collectively.

Stocklake finishes year £0.09m ahead at £1.37m

AT BALANCE DATE, group fixed assets stood at £1.76m (£1.5m), while the current assets were up from £2m to £2.4m. Bank balance and short-term deposits decreased by £45,205 (£1.02m increase).

Political contributions made by the group during the year totalled £30,000 (nil). Meeting, Edinburgh, December 6 at noon.

At balance date, group fixed assets stood at £1.76m (£1.5m), while the current assets were up from £2m to £2.4m. Bank balance and short-term deposits decreased by £45,205 (£1.02m increase).

Rotaprint ahead midterm

PRE-TAX PROFITS of Rotaprint, printing and duplicating equipment manufacturer, increased from £115,000 to £128,000 in the 26 weeks to September 29, 1979, on higher sales of £7.06m, against £6.79m.

The net interim dividend is held at 1.105p—last year a total of 2.932p was paid from profits of £252,000.

The half-year profit was struck after interest of £194,000 (£170,000), and was subject to tax of £26,000 (£30,000).

Hill Thomson recovers well to top £2.3m

HILL Thomson and Company, the blending and bottling subsidiary of Glenlivet Distillers, recovered from losses of £142,000 to a £2.32m profit in the year ended July 31, 1979.

The directors' remuneration for the year ended July 31, 1979, was £283,000 (£243,000 credit) giving earnings per share of £17.5p (14.3p) per 25p share. The dividend total is increased to 3.2705p (2.8675p) with a net final of 2.4205p.

The balance of 6.7m shares, has been left with the underwriters, S. G. Warburg. The shares were offered on the basis of one-for-four at 95p on October 23. Since then, Laporte's share price has been steadily falling—it closed at 92p, up 1p, last night.

Cambrian and General earns more and pays more

Revenue of Cambrian and General Securities came out ahead at £297,788 for the year ended September 30, 1979, compared with £271,287. Tax takes £108,029 against £100,809.

And the dividend is increased to 4.35p (3.875p) net per 25p share, with a final of 2.75p. Gross revenue amounted to £458,881 (£377,377).

Valuation of investments was £5.32m (£5.47m), and the break-up value £21.5p (19.3p) per share.

Underwriters left with 58% of Laporte

The £10.6m rights issue by Laporte Industries (Holdings), the chemical manufacturing group, has been accepted as only 41.5 per cent of the 11.57m new shares offered.

The balance of 6.7m shares, has been left with the underwriters, S. G. Warburg. The shares were offered on the basis of one-for-four at 95p on October 23.

Since then, Laporte's share price has been steadily falling—it closed at 92p, up 1p, last night.

HIGHLIGHTS

Lex discusses the gloomy comments made in London yesterday by the American monetarist Dr. Henry Kaufman, who is expecting yet further rises in American interest rates.

Stocklake finishes year £0.09m ahead at £1.37m

AT BALANCE DATE, group fixed assets stood at £1.76m (£1.5m), while the current assets were up from £2m to £2.4m. Bank balance and short-term deposits decreased by £45,205 (£1.02m increase).

Rotaprint ahead midterm

PRE-TAX PROFITS of Rotaprint, printing and duplicating equipment manufacturer, increased from £115,000 to £128,000 in the 26 weeks to September 29, 1979, on higher sales of £7.06m, against £6.79m.

Hill Thomson recovers well to top £2.3m

HILL Thomson and Company, the blending and bottling subsidiary of Glenlivet Distillers, recovered from losses of £142,000 to a £2.32m profit in the year ended July 31, 1979.

Cambrian and General earns more and pays more

Revenue of Cambrian and General Securities came out ahead at £297,788 for the year ended September 30, 1979, compared with £271,287. Tax takes £108,029 against £100,809.

Underwriters left with 58% of Laporte

The £10.6m rights issue by Laporte Industries (Holdings), the chemical manufacturing group, has been accepted as only 41.5 per cent of the 11.57m new shares offered.

MK Electric first half profits dip to £3.6m

HIGHER INTEREST charges have trimmed pre-tax profits at MK Electric Holdings from £3.9m to £3.6m for the 26 weeks to September 29, 1979.

Table showing Dividends Announced for MK Electric Holdings. Columns include Current payment, Date, Corrected dividend, Total last year, and Total year to date.

After a lower tax charge net profits came out 5.9 per cent higher at £3.1m against £2.9m and stated earnings per share are up from 18.91p to 20.05p.

Prospect of higher interest rates. He also notes, however, that exports and overseas operations are continuing to replace some of the declining home market.

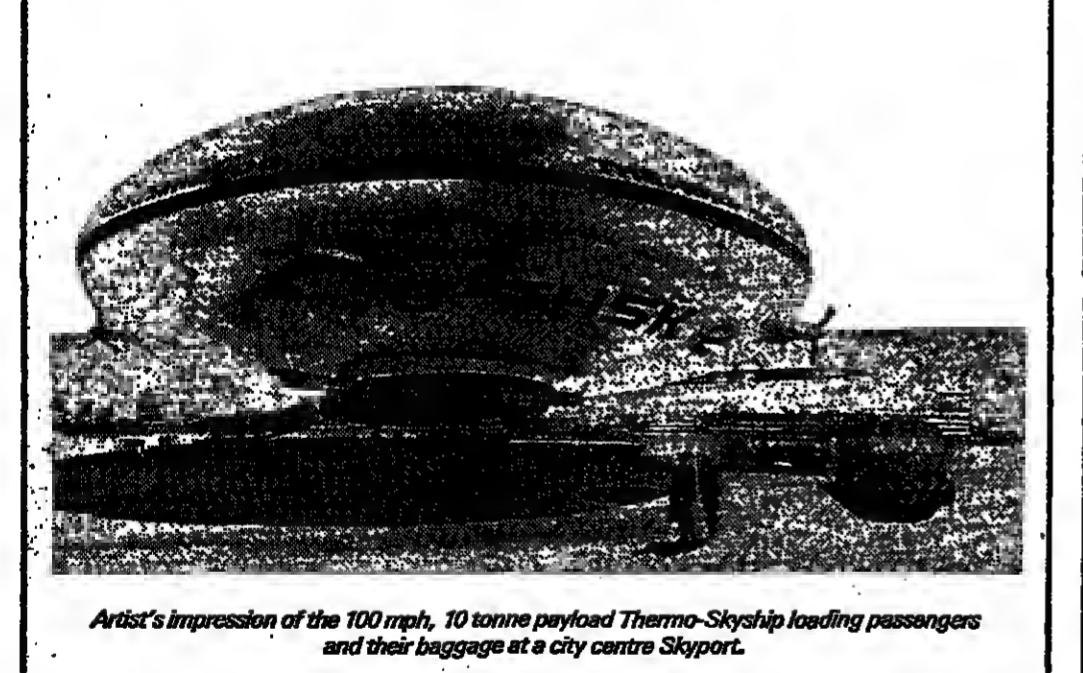
77 companies being wound up

Orders for the compulsory winding up of 77 companies have been made by Mr. Justice Oliver in the High Court. They were: Nationwide Leasing (Auto), Copysavers (Copiers), Tramar Services (formerly Mansart Shipping), Dukebury, Garland Moran Homecare Marine Services, Inter County Security Services, Crownforest, Pika Products (Electronics), Insignia Distributors (Wholesale), Wesleyjay, Jerome Finance, Caself, Blikmass, Reif and Son (Builders), Gomersall and Humphreys, H. F. Adams and Company, E. H. McBride, Presjak, St. Helena Estates Company, Al OK Pictures, Abeyrath Shipping Company, A. E. Harris (Contractors), Barkland Investments, B. J. Rowatree Smith and Rowatree, Mercer-Grant, Henry Solomons, Cyphon Constructions, McShane Construction (Teesside), Pasta Fern, Peter Neil Heating, Holmes, Centellan, Batley Variety Club, Penny Boat Builders, Hypobond, Chevalier Bros. (International) Transport, 250/255 Vauxhall Bridge Road, Rolson Furnishers, Millard Scenifolding Services, Renaport, Midmanor, Biscenet Caterers, Boyce (Building Contractors), Galstar, Farnborough Town Football Club, Hawkes Hayward Investments.

A compulsory winding up order made on November 12 against C. A. C. (Mechanical Services) was rescinded, and the petition adjourned for 14 days to allow the company to prepare a scheme of arrangement.

ELSWICK-HOPPER LIMITED. Unaudited results for the half year ended 31st July 1979. Table showing turnover, trading profit, available profit, and dividends per share.

H. UPMANN. Havana's favourite Havana since 1844. Sole Importers: 10 Snow Hill, London EC1A 2EB.



Thermo-Skyships Ltd. Issue of up to 2,560,000 Ordinary Shares of 25p each payable as to £1.25 per share on application. Applications for shares will only be accepted on the basis of the Prospectus.

IN BRIEF. Summary of company news including Arthur Bell and Sons, Cedar Investment Trust, Lake and Elliot, Martonair International, and F. W. Thorpe.

H. UPMANN. Havana's favourite Havana since 1844. Sole Importers: 10 Snow Hill, London EC1A 2EB.

First Chicago Investment Banking Group. "There is no better time to invest in the U.S. than now." First Chicago's Corporate Finance teams in London, Chicago and Geneva advise corporations on their acquisitions and divestiture strategies.

UK COMPANY NEWS

Burgess Products begins to recover from strike

THE FIRST half of the current year at Burgess Products Company (Holdings) has been disrupted by the engineering dispute but strenuous efforts are being made to reduce the impact of this disruption...

current year has not been helped by the engineering strike. Burgess Micro Switch Company recovered from an early setback and finished last year with turnover 25 per cent ahead...

agricultural, tractor and earth moving equipment industries as well as from motor vehicle manufacturers and the replacement market for exhaust systems.

Elswick Hopper £150,000 rise

Dealings start today as a listed security. The directors say they feel confident that the current year will show a satisfactory resumption of the company's growth pattern...

Expansion for Town Centre

PRE-TAX PROFIT of Town Centre Securities expanded from £800,804 to £951,611 for the year ended June 30, 1979...

Schroder Property Fund shows substantial growth

AT THE end of the year, the fund had 182 unit holders compared with 126 at the beginning. Since the year end, four more properties have been purchased at a cost of £4.5m...

Increase for Ocean Wilsons

DESPITE REDUCED turnover of £18.42m compared with £20.35m, pre-tax profits of Ocean Wilsons (Holdings) improved from £1.75m to £1.82m in the six months to July 31, 1979.

BOARD MEETINGS

Table listing board meetings for various companies including Anglo-American Asphalt, Enva of Leeds, Glove Investment Trust, H.A.T., Hambros, C. E. Heath, Metall Box, Reemson, etc.

Profits for the year to July 27, 1979—as reported on October 27—rose by some 40 per cent to £1.15m. Mr. Riddell describes this as a further step in the recovery trend towards profit levels of a few years ago but points out that in inflation-adjusted terms there is still some way to go.

In a divisional review the chairman reports that, after a poor first half, the second six months at Burgess Architectural Products proved more satisfactory. Sales of ceiling materials to the UK private sector are increasing and exports are expanding.

Late delivery of new tooling delayed the introduction of a major new product at Burgess Power Tools. Nevertheless both turnover and profits advanced during the year under review.

Despite exchange rate difficulties, Burgess Switch Company had another satisfactory year of steady improvement. Further expansion is planned for the current year and the directors are confident of a continuing contribution to group profits coming from this operation.

KUNICK

Profits of Kanick Holdings came to £103,155 for the year ended May 31, 1979, which included pre-acquisition profits of £16,429. A final dividend of 0.549p lifts the total to 0.77p net per share, equivalent to 1.1p gross. Previously, no dividend had been paid since 1972.



Chairman's Review by Sir Albert Robinson.

The Annual General Meeting of the Company will be held in Johannesburg on 27 November 1979 at 12 noon.

Results for the Year

It is a pleasure for me on this thirtieth anniversary of the establishment of Johannes to report that Group profits after tax and available for distribution to ordinary shareholders for the year ended 30 June 1979 were a record of R51.1 million or 719 cents per share...

The industries in which we are engaged and from which we draw the main part of our profit are vulnerable to the fluctuations of world commodity prices and are also exposed to the general effects of cost inflation in South Africa.

Financing

Over the past two years the financing of our business has been re-examined and changes have been effected to accommodate anticipated developments in our operating environment and to improve our balance sheet structure and flexibility.

Diamonds

During the year ended 30 June 1979 approximately R13.7 million was derived from our investments in the diamond industry, made up of holdings in various unlisted trading companies and shares in De Beers Consolidated Mines Limited.

Gold and Uranium

The increase in the gold price to over \$400 an ounce in October, although a development beneficial to our gold mining interests, was not viewed with unqualified satisfaction. This increase resulted largely from a worsening of inflation in the U.S. and other leading industrial countries.

The rise in the gold price has made it possible for Western Areas Gold Mining Company Limited to concentrate a greater degree of its mining operations on lower grade ores with the result that the grade of the mine declined from 6.0 grams per ton in 1977 to 5.6 grams per ton last year.

Rustenburg Platinum Holdings has now repaid its Euro-dollar loans and the balance sheet is in a stronger position than it was a year ago.

Coal Johannes Group collects produce approximately 12.5 per cent of total non-ferrous bituminous coal output in South Africa. Although at present they sell none of their production abroad the Tavistock group participates in the net export earnings for the Transvaal Coal Owners Association (TCOA).

In my opinion the Government is taking too cautious a view of South Africa's ability to export coal and could increase the current ceiling of 34 million tons, inclusive of anthracite, without putting at risk the long-term soundness of our domestic energy supplies.

Coal production of the Tavistock group of collieries increased only marginally last year to 3.78 million tons from 3.73 million tons but the monetary value of coal sales rose by 14.6 per cent to R29.3 million largely because of the increase in the coal price gazetted in February.

Since the year end Johannes has sold The Natal Cambrian Collieries Ltd. to a member of the Kangra Holdings Group for R1.8 million and will also receive a percentage of the pre-tax profit of Newcastle Platinium Colliery Ltd., a fellow member of the same group, for a minimum period of five years.

Base Metals We are re-examining the position of our Ojibwe mine in South West Africa and during the next twelve months will carry out a further programme of drilling and underground development costing approximately R2 million.

improvement in copper prices in recent months has been due in large measure to a shortfall in supply from Zaire and Zambia at a time when consumption has shown some recovery in most leading industrial countries.

During the past financial year operating results at Shangani Mining Corporation Ltd. have been appreciably better than anticipated and it is now expected that operations, which are still continuing, will augment the production from underground during the first half of 1980.

However, with long-term liabilities amounting to R231.6 million and the need for further funds in order to bring the underground mine to production, Shangani has serious financing problems which are likely to be met by a capital reconstruction.

Ferrochrome Our investment in Consolidated Metallurgical Industries Limited (CMI) dates from 1973. Although CMI has not yet contributed to Group dividend income the progress with production and sales during 1979 has been most encouraging.

Antimony Consolidated Murchison Limited, the leading producer of antimony concentrates in the free world, incurred a loss of R500 000 during its last financial year (ended 31 December 1978). This reflected the extremely difficult trading conditions encountered by the company in the antimony market.

Exploration After three years of exploration work in the Karoo, jointly with The Randfontein Estates Gold Mining Company, Witwatersrand, Limited it has become apparent that this is an area of considerable promise.

Industry The contribution to Group net attributable earnings from our industrial investments rose by 39 per cent to R7.1 million last year mainly because of improved profits from The South African Breweries Limited, Johnson Matthey & Co. Limited in the United Kingdom and Lening Holdings Limited.

Since the financial year end, Johannes has sold its investment in Johnson Matthey & Co. Ltd., the greater portion of which was acquired some six years ago, in order to provide the stability of a substantial holding in a company whose shares were then very widely held.

Labour Situation The past year has been one of historical importance in the field of labour because of the change in official policy that it has witnessed. While we in the mining industry congratulate the Government on the steps that it has taken, it is necessary to point out that changes still have to be enacted which will enable us to use our black labour force more efficiently.

destructive conflicts through a process of consultation and discussion, but the Government and the labour unions must accept that the present unsatisfactory situation in our industry cannot be allowed to continue indefinitely.

The labour problem in South Africa is a twofold one. On the one hand we are burdened by an unacceptably high level of unemployment amongst unskilled blacks, on the other our progress is being held back by a scarcity of skilled whites. Because black unemployment poses a threat to our socio-political stability everything possible has to be done to increase the rate at which jobs are created in South Africa.

In the mining industry we are well aware that it is not possible to solve problems of income inequalities simply by changing pay policies and practices. Higher earnings are essential but every effort must be made to link them to higher productivity.

The South African Economy South Africa at present is in the midst of a process of change that is likely to transform the nature of its society dramatically by the time the process has run its full course. The process is not without its dangers, but greater danger exists in not coming to terms with it.

The need for economic unity, both within South Africa and on the sub-continent, does not only stem from political considerations. If industry in this country is to increase its effectiveness in international competition, it must increase the scale of its operations and this will only be achieved through a major expansion of our domestic market.

Prospects The outlook for the coming year is one confused by contradictory tendencies in the different geographical areas in which we do business. In our principal export markets, slower growth has become evident while in South Africa, real gross domestic product is recovering, encouraged by stimulatory policy measures adopted by the Government.

Directorate and Staff It would not be proper, in concluding this statement with the traditional thanks to our directors and employees, to omit reference to the conflict in Zimbabwe Rhodesia which resulted in the deaths of people closely connected with our company.

Finally, it is a pleasure for me to offer my congratulations to Mr P. A. von Weizsäcker on the completion of his successful term of office as President of the Chamber of Mines.

هكتر من العمل

This advertisement appears as a matter of record only



**THE COUNCIL OF THE
BOROUGH OF KIRKLEES**

£6,000,000
Droplock Floating Rate Loan

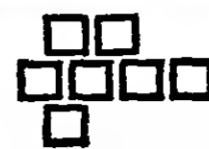
Managed by
Guinness Mahon & Co. Limited

Medium Term Interim Finance provided by
Banco di Roma, London Branch
Commerzbank A.G., London Branch
Guinness Mahon & Co. Limited
Johnson Matthey Bankers Limited
Manufacturers Hanover Trust Company

Agent
Guinness Mahon & Co. Limited

Advisers to the Borrower
M W Marshall & Company Limited

This advertisement appears as a matter of record only



**OLDHAM METROPOLITAN
BOROUGH COUNCIL**

£6,000,000
Droplock Floating Rate Loan

Managed by
Guinness Mahon & Co. Limited

Medium Term Interim Finance provided by
Allied Bank International
Commerzbank A.G., London Branch
Continental Illinois National Bank & Trust Company
of Chicago
Guinness Mahon & Co. Limited
Johnson Matthey Bankers Limited
Keyser Ullmann Limited
London & Continental Bankers Limited
Marine Midland Bank

Agent
Guinness Mahon & Co. Limited

Advisers to the Borrower
M W Marshall & Company Limited

This advertisement appears as a matter of record only



**THE LONDON BOROUGH
OF ISLINGTON**

£8,000,000
Droplock Floating Rate Loan

Managed by
Guinness Mahon & Co. Limited

Medium Term Interim Finance provided by
Commerzbank A.G., London Branch
Société Générale (France) Bank Limited

American National Bank & Trust Company of Chicago
Associated Japanese Bank (International) Limited
Guinness Mahon & Co. Limited
Hungarian International Bank Limited
Texas Commerce Bank N.A.

Agent
Guinness Mahon & Co. Limited

Advisers to the Borrower
M W Marshall & Company Limited

This advertisement appears as a matter of record only



**CITY
OF NOTTINGHAM**

£8,000,000
Droplock Floating Rate Loan

Managed by
Guinness Mahon & Co. Limited

Medium Term Interim Finance provided by
Banque Belge Limited

Atlantic International Bank Limited
Banco di Roma, London Branch
The Commercial Banking Company of Sydney Limited
Commerzbank A.G., London Branch
Euro-Latinamerican Bank Limited
—EULABANK—
Guinness Mahon & Co. Limited
The Industrial Bank of Japan, Limited
Italian International Bank Limited
Landesbank Stuttgart, London Branch
United Overseas Bank Limited, London Branch

Agent
Guinness Mahon & Co. Limited

Advisers to the Borrower
M W Marshall & Company Limited

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Aviation sales aid Bangor Punta result

By Our Financial Staff
BANGOR PUNTA, the diversified industrial company with heavy involvement in general aviation, has posted earnings ahead by 20 per cent in 1979 and expects higher earnings in 1980.

Posner meeting to discuss UV Industries counter-bid

By DAVID LASCELLES IN NEW YORK

MR. VICTOR POSNER, the steel industrialist and investor, summoned a meeting of his UVF corporation and its Sharon Steel subsidiary last night to consider making a counter-bid for UV Industries.

plan which, it said, would realise more per share for its shareholders than UV would as a going concern. Mr. Posner, who holds nearly 23 per cent of UV, tried to bait the liquidation in order, it was widely thought, to launch an effort to gain control of the company itself and its near-\$500m in cash assets.

Earnings rise at Canadian Tire

By Robert Gibbens in Montreal

CANADIAN TIRE, one of Canada's most successful hardware and car accessories retailers, reported earnings of \$22.1m (U.S.\$27.7m) or C\$2.46 a share in the first nine months against C\$2.22m or C\$1.94 a year earlier.

Bank of Tokyo increases share of syndicated loans

By OUR EUROMARKETS STAFF

THE BANK OF TOKYO last year participated in more than 100 syndicated loans, totalling \$26.4bn, according to the Japanese bank's annual report for 1979.

according to Mr. Kaiman Nessoros, general manager. Reuter reports from Budapest. Mr. Meszaros said in an interview that each credit probably be for \$200m to \$300m, depending on market conditions at the time it is raised.

Levitz family agrees to offer

CHICAGO—Mr. Ralph Levitz, chairman of Levitz Furniture, said yesterday that agreement had been reached with members of the Pritzker family under which publicly held shares of Levitz stock would be acquired for \$27 a share cash.

of \$115m on the equity of Levitz. Under the agreement Mr. Levitz said that members of his family own 1,048,694 shares of Levitz Furniture Stock, or about 24.7 per cent of outstanding shares would sell their stock at \$25 a share to a newly formed company. This would be 75 per cent owned by the Pritzker family and 25 per cent by the Levitz family.

Westvaco advance

Westvaco, printing paper manufacturer, has pushed earnings for 1979 ahead from \$66m to \$390.8 million, or \$4.61 a share, on sales of \$1.2bn against \$1.1bn. The final quarter brought net earnings of \$28.3m, or \$1.71 a share, against \$35m, or \$1.48m, on sales of \$328m, against \$316.6m last time.

KAISER ALUMINUM

Key markets keep aluminium sales buoyant

BY ART GARCIA IN OAKLAND

ALUMINIUM SHIPMENTS by Kaiser Aluminum and Chemical Corporation will be "somewhat less" in the current fourth quarter than the 247,800 tons delivered in the third period.

company's diversified businesses registered third-quarter results below those of last year. Earnings for industrial chemicals and international trading operations improved over 1978's third quarter, with refractories about even with last year. But the agricultural chemicals division showed a seasonal loss that was greater than a year ago and real estate results were lower.

For the first nine months of this year net income came to \$163.4m or 4.12 a share, compared with \$111.3m or \$2.74 a share. Sales in this year's first three quarters advanced to \$2.2bn from \$1.6bn.

director of economic and marketing research, says the U.S. aluminium industry's third quarter domestic shipments were probably down 1.7 per cent from a year ago to 3.3bn lbs. Fourth quarter industry domestic shipments should be approximately 3.2bn lbs, down 9.4 per cent from last year, he says.

Advertisement for COMPANIA MANUFACTURERA DE PAPELES Y CARTONES, S.A. featuring a logo and text: U.S. \$78,000,000 MEDIUM TERM CREDIT FACILITY. CHASE MERCHANT BANKING GROUP. MANAGED BY THE CHASE MANHATTAN BANK, N.A., THE BANK OF TOKYO, LTD., CITIBANK, N.A., CREDIT SUISSE, CROCKER NATIONAL BANK, DEUTSCHE BANK, COMPAGNIE FINANCIERE LUXEMBOURG, GRINDLAYS BANK LIMITED, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, UNION BANK OF SWITZERLAND. AGENT THE CHASE MANHATTAN BANK, N.A.

FRCD for Japanese bank

By JOHN EVANS

BANKERS TRUST International is arranging a \$3m (£1.5m) floating rate certificate of deposit (FRCD) issue for the London branch of the Tokyo-Mitsubishi Bank of Japan.

Eurodollar bonds easier

By Our Euromarkets Staff

FALLS IN Eurodollar bonds and notes ranged to a point yesterday following the impact of the new weakness of the dollar and easier bond prices in New York at the opening.

Borrowing total falls by \$3bn

PARIS—Borrowing on the international capital markets fell in October to a total of \$8.94bn, a equivalent from \$11.98bn in September.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bond issues see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns for Country, Issued, Bid Offer, Change on day, and Yield. Includes sections for U.S. DOLLAR, EUROPEAN, DEUTSCHE MARK, STRAIGHTS, SWISS FRANC, and YEN STRAIGHTS.

Olivetti plans further capital increase

By Rupert Cornwell in Rome

OLIVETTI, THE leading Italian group, is planning a further "substantial" gain over last year within two or three years, following the two-stage operation to 1978 which lifted capital to L300bn (\$240m) from L80bn.

Rotterdam Airlines gains permission for flights

BY CHARLES BATCHELOR IN AMSTERDAM

ROTTERDAM AIRLINES (RAL) has for the second time a granted permission by the civil air traffic authorities to fly to seven destinations in Europe...

Sasebo reduces first-half deficit

TOKYO — Sasebo Heavy Industries Company, a major Japanese shipbuilder, has announced a cut in its parent company net loss to ¥884m (\$2.7m) in the first-half...

AUSTRALIAN BANKING

ANZ earnings overtake the Wales

BY JAMES FORTH IN SYDNEY

THE ANZ banking group has topped the Bank of New South Wales from its traditional spot as the top profit earner among the private trading banks...

permitted overseas. The maximum distribution under this profit participation scheme will be 3.5 per cent of after tax consolidated profit at current tax rates.

Under the share purchase scheme it is proposed that the staff will be entitled to buy specified numbers of ANZ shares depending on their career achievement and years of service.

Savings Bank profits rose 16 per cent from A\$19m to A\$22.1m, while the New Zealand Savings Bank almost doubled earnings from NZ\$1.14m to NZ\$2.17m (\$U.S.\$2.1m).

Nestle acquires Roco food group

BY JOHN WICKS IN ZURICH

MAJORITY shareholding in Swiss foodstuffs company, Conserven Rorschach, has been acquired by Nestle SA, Vevey-based parent company of the Nestle group...

fluenced by the fact that close connections have existed between the two companies since 1970, when they formed the joint-venture subsidiary Frisco-Findus.

CSR buys Shell stake in Thiess

BY OUR SYDNEY CORRESPONDENT

CSR, the industrial and mining group, is within sight of winning outright control of Thiess Holdings after the weekend purchase of the Shell oil group's strategic 15.5 per cent stake in the coal, construction and motor vehicle group...

44 per cent of the capital, and almost certain victory. The CSR camp has been confident from the start that it would obtain the Shell and Amp holdings, but the Thiess board believed that Shell, at least, would remain neutral for the time being.

It has been agreed that, when CSR's offer succeeds, Shell will participate as a minority venture in the steaming coal ventures of Theodore and Callide (both in Queensland) and Drayton (NSW).

Spending plans at Suzuki

By Richard C. Hanson in Tokyo

SUZUKI MOTOR COMPANY, which launched a strong capital spending programme for the next two years, has reported a record net profit of ¥2.45bn (\$9.96m) for the half-year to September 30.

Indian Airlines increases fares

BY K. K. SHARMA IN BOMBAY

INDIAN AIRLINES, the government-owned corporation, has tripled this year, and intends to raise fares to bring itself out of the red.

lines and Air India, after retiring as the Indian Air Force chief. By the middle of 1981, Indian Airlines will increase its Boeing 737s to 21. It has just increased its Airbus fleet to six, and by 1981 will have at least two more.

SOUTH AFRICAN LIQUOR INDUSTRY

The two giants come to terms

BY JIM JONES IN JOHANNESBURG

THE ROAD to the creation of South African Breweries and Rembrandt's liquor fiefdoms agreement, announced last week, has taken more than ten years to travel.

lowering of excise duties on beer brewed in smaller facilities. That was three years ago, and it was then that the country's beer war started in earnest.

within Rembrandt indicated unofficially that the group was prepared to sink R40m (US\$48m) into building up its market share.

Rationalisation proposals now approved by an amenable Government give South African Breweries all of Rembrandt's brewing interests, while SAB is placing its wine and spirits interests in a new company, Cape Wine and Distillers.

questions unanswered. Independent liquor distributors such as Union Wine, and Rennie's Liquor Holdings were not party to the discussions.

Bank of India

announce that on and after 20th November, 1979 the following annual rates will apply:

Base rate 17% (Increased from 14%) Deposit rate (basic) 15% (Increased from 11 1/2%)

Bank of India

CREDITANSTALT—BANKVEREIN

U.S.\$40,000,000 Floating Rate Notes 1984 Notice is given pursuant to conditions 3 (d) of the terms and conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 21st November, 1979, to 21st May, 1980, is at the annual rate of 15 1/2 per cent.

THE LONG-TERM CREDIT BANK OF JAPAN LTD.

Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity Date 18th November 1980

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 21st November, 1979 to 21st May, 1980 the Certificates will carry an Interest Rate of 15 1/2 per annum.

Ålands Aktiebank U.S. \$12,000,000 Multi-currency Loan Facility managed by Hambros Bank Limited provided by Hambros Bank Limited, Landesbank Rheinland-Pfalz und Saar International S.A., Midland Bank Limited, Nordisk Bank Limited, The Royal Bank of Canada Group, Skandinaviska Enskilda Banken, Agent Bank Hambros Bank Limited November, 1979

PHILIP HILL INVESTMENT TRUST LIMITED

Interim Report

The Directors have declared an interim ordinary dividend of 1.60p (1.375p) per share in respect of the period ending 30th March 1980 to be paid on 31st December 1979 to Shareholders on the Register on 30th November 1979.

Table with financial data for Philip Hill Investment Trust Limited, including Revenue, Gross revenue, Administration expenses, Interest charges, Corporation tax, Tax imputed to franked income, Preference dividends, Net earnings, Earnings per share, Cost of dividend, Ordinary dividend, and Preference dividend.

Note: Franked income for the half-year ended 30th September 1979 includes special dividends from Unilever and Shell of £512,000, which we intend to deal with at the final dividend stage.

Managing government debt: the case for indexed securities

BY DAVID WILKIE

ONCE AGAIN the Government has been faced with a crisis in its funding programme. After a year of comparatively low inflation and a regular flow of successful new issues, prospective lenders see the certainty of higher inflation now and the prospect of greatly increased uncertainty about inflation levels in the future.

No prudent lender should put out money on long term at fixed interest in a climate of high and uncertain inflation and no prudent borrower has any business to be taking on such uncertain liabilities.

The massive issues of Government stock since 1975 have been taken up to a very great extent by pension funds and insurance companies, whose net investment in gilts in 1975 to 1978 was £13bn, which is well over half the net official sales of Government stock, and not much less than the total of interest paid (gross) on the marketable debt in the same period.

There were rather special reasons why life assurance companies were prepared to increase their holdings of fixed interest stock after 1974; but these reasons may now have much less weight. There are no good reasons why pension funds, whose liabilities are almost all fixed in "real" terms, should buy fixed interest stock except as a speculation on fall-

ing inflation. The Government can no longer rely on a continuing flow of funds, put up as hostages to the fortunes of future inflation. There has to be a serious reappraisal of the whole management of the long term debt.

Indexed securities provide the key to solving this impasse.

What they are: Imagine an index-linked government stock with an initial interest payment is due, the current nominal would be $100 \times 1.573 + 1.50 = 104.87$, and the interest payment would be 4 per cent of $104.87 = 10.99$, which also equals $1.50 \times 1.573 + 1.50$. If at redemption, the RPI were 1009.1, the current nominal would be $100 \times 1009.1 + 1.50 = 672.73$, the final interest payment would be £10.09 and the amount paid at redemption would be £672.73.

The example assumes exactly

6 The logical conclusion is that index-linked securities are the key to resolving an impasse 9

always higher than expected when stocks were issued.

Advantages to the Government:

At present the Government has to borrow some £8bn a year to pay debt interest. It can continue to borrow this from institutions because they receive the interest and have a reinvest it. But the borrowing requirement cannot be significantly reduced and inflation cannot be reduced much below 10 per cent without this debt interest having to be paid from taxes. A recent Bank of England Discussion Paper by Taylor and Threadgold shows that the "real" PSBR was quite small until 1978—when inflation advanced the government's inflationary gains were lower. The real cost of debt was shown up in that year. Taxpayers will not put up with a government that raises sufficient taxes to pay a 4 per cent real return.

With indexed stocks (perhaps even replacing existing stock by a conversion offer) the Government could reduce its debt interest and could afford to bring inflation down. If it was unsuccessful in this, at least the lenders would have received a fair bargain.

Advantages to Savings Institutions:

Most pension fund liabilities are "real" rather than money. Indexed stocks are the natural investment. Many life office liabilities are "real" a second hand, though some money guarantees. All some investors want real returns not money returns. Only income earners who have fixed money liabilities find fixed interest assets desirable.

The existence of indexed securities would allow life offices to develop indexed contracts and offer policyholders a sensible bargain again. This development would be eased by sensible changes in the qualifying policy and stamp duty rule to allow fully indexed premium and sums assured.

Acceptable

Such securities could be traded in the usual way, but the current nominal per £100 initial nominal would need to be considered. Redemption yields could be calculated and quoted in "real terms" as opposed to "fixed money terms."

Tax position:

If there were no changes in the tax laws, interest would be taxed as interest and the capital repayment would (for government stock) be free of capital gains tax. They would thus be acceptable investments. They would be attractive to high-tax-payers, but that market would soon be saturated, especially for longer-term stocks, so the price would settle down to give a yield suitable for life offices and pension funds.

Company loans under present tax laws are impractical. The money capital gain on redemption would be subject to capital gains tax, and has to be paid out of after-tax earnings.

Coupons:

It would be normal to expect coupons around 2 to 3 per cent, which used to be the rate of interest in non-inflationary times. At present a loan could probably be successful at a coupon of 1 per cent, but the market would soon tell what was appropriate.

Current long-term fixed interest rates are around 13 per cent. On a gross basis 3 per cent indexed plus inflation averaging 10 per cent would be equivalent. But if inflation is different from 10 per cent then one investment would turn out to be better than the other. The fixed interest stock is "risky" if one wants real returns, the indexed stock is "risky" if one wants money returns.

Advantages:

Indexed stocks restore equity between borrower and lender. Long term fixed money stocks are now such a gamble that one side or the other will probably lose heavily, and the other side gain. Companies and most individuals are no longer prepared to take this gamble, and long term borrowing by companies has predictably ceased.

The only participants now are the Government on the one hand and life offices and pension funds on the other. The latter are taking a huge gamble since their liabilities, being expressed as fractions of final salary, are indirectly linked to inflation (or inflation plus real earnings increases). The Government can afford the gamble because they can ensure that inflation is

David Wilkie is Research Director of the Standard Life Assurance Company.

MICRODATA CORPORATION

has merged with
a wholly owned subsidiary of

MCDONNELL DOUGLAS CORPORATION

The undersigned acted as financial advisor to Microdata Corporation in this transaction.

BLYTH EASTMAN DILLON & Co. INCORPORATED

November 13, 1979

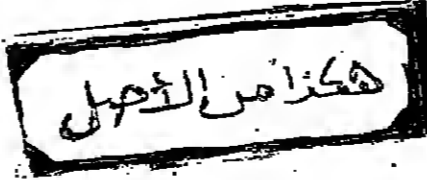
A streetcar named Desire.

Because it's a Porsche, you'd expect the £22,000 928 to be utterly viceless, totally practical and rather quick. You'd be right.



Porsche Cars Great Britain Limited, Richfield Avenue, Reading RG1 8PH. Telephone: 0734 595411.
For Tourist, NATO, Diplomatic and Personal Export enquiries Tel: 01-668 1313.
928 2 + 2 Coupé 4.5 litre 5 cylinder 177 kW (240 BHP) Automatic or 5 speed transmission £21,827.928S 2 + 2 Coupé 4.7 litre 8 cylinder 221 kW (300 BHP) Automatic or 5 speed transmission £25,251.
The Porsche range includes the 924 Series from £8,104 and the 911 Series from £18,109.
Prices correct at time of going to press, exclude number plates and delivery. For further information and details of leasing facilities contact your nearest official Porsche Centre.

South East: AFN Ltd, Isleworth, Tel: 01-560 1011, AFN Ltd, Guildford, Tel: 0483 38448, Charles Pollitt Ltd, Mayfair, Tel: 01-629 6266, Mervyn Garage (Billingshurst) Ltd, Billingshurst, Tel: 040 381 3341, Malton Car Concessionaires Ltd, Henley-on-Thames, Tel: 04912 78111, Motocore Ltd, Kensington, Tel: 01-581 1234, South West: Dick Lovett Specialist Cars Ltd, Wroughton, Tel: 0793 812387, Parkes Ltd, Exeter, Tel: 0392 77750, South: Heddell and Deane Motors Ltd, Bournemouth, Tel: 0202 510252, West Midlands: Salford Motors (Kendal) Ltd, Salford, Tel: 0536 462 3047, East Midlands: Roger Clark (Canal) Ltd, Nantwich, Tel: 0583 848270, Gordon Lamb Ltd, Chesterfield, Tel: 0248 461811, East Anglia and Essex: Lancaster Garages (Colchester) Ltd, Colchester, Tel: 0206 48141, Lancaster Garages (Norwich) Ltd, Norwich, Tel: 0603 401814, North West: Ian Anthony Sales (Knutsford) Ltd, Tel: 0685 52737, Parker and Parker Ltd, Kendal, Tel: 0533 24351, North East: JCT 600 Ltd, Leeds, Tel: 0532 608454, Gordon Ramsay Ltd, Newcastle upon Tyne, Tel: 0632 812581, South Wales: Howells Garages (Cardiff) Ltd, Cardiff, Tel: 0222 562363, Scotland: Glen Henderson Motors (Sturgen) Ltd, Ayr, Tel: 0292 82727, Glen Henderson Motors Ltd, Glasgow, Tel: 041-843 1155, Glen Henderson Motors Ltd, Edinburgh, Tel: 031-225 0266, Northern Ireland: Isaac Agnew Ltd, Belfast, Tel: 023137111, Isaac Agnew Ltd, Belfast, Tel: 0292 663231, Channel Islands: Jones Garage, St. Saviour, Jersey, Tel: 0334 28156.



This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange

WESTERN MINING CORPORATION HOLDINGS LIMITED

(Incorporated in the State of Victoria, Australia, under the Companies Act 1957)

Share Capital

Authorised A\$300,000,000	Issued and fully paid A\$103,716,950.50
------------------------------	--

in Shares of 50 cents each

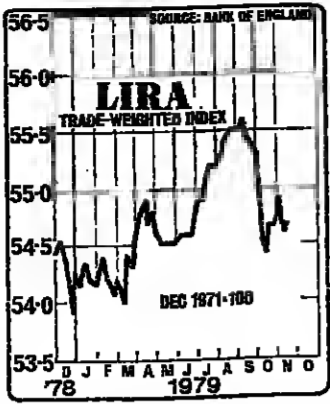
The whole of the issued share capital of the Company has been admitted to the Official List by the Council of the Stock Exchange. Particulars of the Company are available in the statistical service of Exel Statistical Services Limited and copies may be obtained during usual business hours up to 7th December 1979 from:

Hoare Govett Ltd,
Heron House, 319-325 High Holborn,
20th November 1978 London WC1V 7PB

CURRENCIES, MONEY and GOLD

Sterling firm

Sterling rose against most currencies yesterday as high interest rates made sterling appear more attractive in the short term.



Friday, the Swiss National Bank may have sold D-marks in the forward market in support of its currency.

MILAN — The dollar was weaker against the Italian lira yesterday, as the lira rose to 1,177.75 and 1,178.75.

FRANKFURT — There was no intervention by the Bundesbank yesterday when the dollar was fixed at DM 1.7638.

ZURICH — The Swiss franc fell to its lowest level this year against the D-mark.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, % p.c. months, % p.c. months. Lists various currencies like U.S., U.K., Canada, etc.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, % p.c. months, % p.c. months. Lists various currencies like U.S., U.K., Canada, etc.

CURRENCY MOVEMENTS

Table with columns: Nov. 16, Bank rate, Special Drawing Rights, European Currency Unit, Nov. 19, Sterling, U.S. dollar, etc.

OTHER MARKETS

Table with columns: Nov. 19, Rate, Rate Rates. Lists various currencies like Argentina, Australia, etc.

WORLD VALUE OF THE POUND

The table below shows the latest available rates of exchange for the pound against various currencies on November 19, 1979.

Large table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING. Lists numerous countries and their exchange rates.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU, Currency amounts, % change from central, % change from adjusted, Divergence limit. Lists various European currencies.

EXCHANGE CROSS RATES

Table with columns: Nov. 19, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: Nov. 19, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen.

INTERNATIONAL MONEY MARKET

European rates firm

European short-term interest rates were slightly firmer in places yesterday, with Paris calling money rising to 11 1/2 per cent.

PARIS — One-month money rose to 12 1/2 per cent from 12 1/4 per cent.

FRANKFURT — One-month funds rose to 8.20-8.30 per cent from 8.15-8.25 per cent.

AMSTERDAM — Call money was quoted at 9 1/4 per cent, compared with 9 1/8 per cent on Friday.

BRUSSELS — One-month funds rose to 14 1/4-14 1/2 per cent from 13 1/4 per cent.

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979).

Short-term fixed period interest rates were slightly easier in the London money market yesterday.

BRUSSELS — One-month funds rose to 14 1/4-14 1/2 per cent from 13 1/4 per cent.

GOLD

Quiet trading

Gold traded very quietly for most of the day in the London bullion market yesterday.

FRANKFURT — The metal opened at \$377.388, which was its lowest level for the day.

HONG KONG — The money market was stable with call money at 10 1/4 per cent.

FRANKFURT — One-month funds rose to 8.20-8.30 per cent from 8.15-8.25 per cent.

AMSTERDAM — Call money was quoted at 9 1/4 per cent, compared with 9 1/8 per cent on Friday.

BRUSSELS — One-month funds rose to 14 1/4-14 1/2 per cent from 13 1/4 per cent.

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979).

Short-term fixed period interest rates were slightly easier in the London money market yesterday.

BRUSSELS — One-month funds rose to 14 1/4-14 1/2 per cent from 13 1/4 per cent.

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979).

Short-term fixed period interest rates were slightly easier in the London money market yesterday.

BRUSSELS — One-month funds rose to 14 1/4-14 1/2 per cent from 13 1/4 per cent.

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979).

Short-term fixed period interest rates were slightly easier in the London money market yesterday.

BRUSSELS — One-month funds rose to 14 1/4-14 1/2 per cent from 13 1/4 per cent.

THEIR BANKER GAVE THEM WHAT A GOOD WINE NEEDS MOST. TIME.

Advertisement for American Express International Banking. Text: 'Their banker gave them what a good wine needs most. Time. American Express International Banking Corporation's Italian subsidiary finances stocks of wine, giving them time to mature.'

Table with columns: MONEY RATES, NEW YORK, GERMANY, FRANCE, JAPAN. Lists various financial rates and percentages.

Table with columns: LONDON MONEY RATES, Nov. 10, Sterling, Local Authority deposits, Interbank, etc.

Local authority and finance houses seven days notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 15-15 1/2 per cent.

American Express Bank, 120 Moorgate, London EC2P 2JY. Tel. (01) 638-1431.

LONDON STOCK EXCHANGE

View that Government has regained monetary control makes for confident Gilt market—Equities also higher

Account Dealing Dates
Options
*First Declared Last Account Dealings Dates

The success last week of the Government's crash funding operation and the majority view that it had regained the initiative in financial markets by re-establishing monetary control gave Gilt-edged securities a further boost yesterday.

Bullish Press conclusions to last week's financial events ensured a strong opening for Gilt-edged securities which were immediately extended on a fairly aggressive investment demand taking advantage of yields ranging to 14 1/2 per cent.

Selling by short-term operators saw the gains pared and the 230-odd Treasury 13 1/2 per cent 2000-03 "A" which started life on Friday, came back from 25 1/2 to close only 1/2 higher on balance at 23 1/2.

Although business in most equity sections fell some way short of expectations, the undertone remained firm throughout. The FT 30-share index illustrated the better feeling and was at its best at 1 pm with a rise of 5.0 before closing 4.3 better on the day at 411.3.

Traded options opened the new Account in more active mood than of late, and trades continued amounted to 893, the highest for about two weeks.

Minet easier

Suspended at 99p last Wednesday prior to the announcement that Corroon and Black Corporation of New York proposes to increase its stake in Minnet from nearly 5 to 20 per cent by purchasing shares in the London market, dealings in Minnet were resumed yesterday.

In the wake of last Friday's increase in base lending rates to a record 17 per cent, the major clearing banks started the new Account on a firm note.

A firmer tone was noted in Breweries and associated issues, although trading was slack. Bass put on 3 to 201p, while Whitbread rose 4 1/2 to 129p.

Selected Building descriptions made modest headway on technical influences rather than genuine support. Among the leaders, Blue Circle improved 4 to 230p, while Redland, interim results due on Thursday, hardened a couple of pence to 180p.

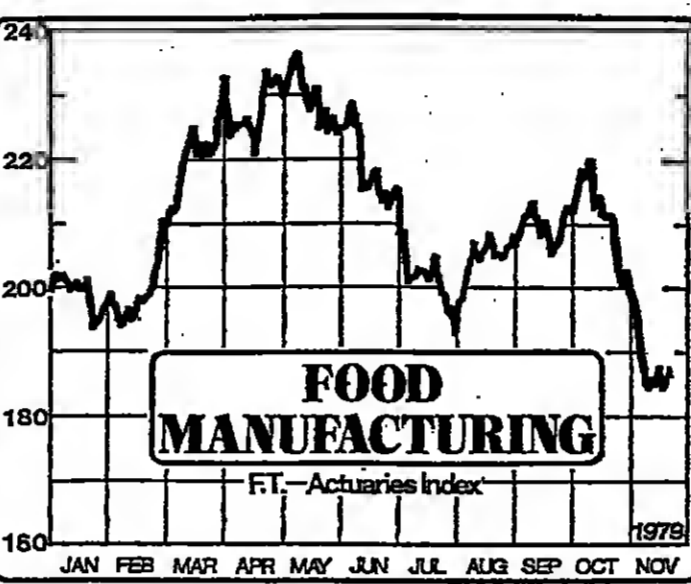
Wallis down

Firmer conditions returned to leading Stores after recent dullness caused by fears that the Government's credit curbs will severely curtail pre-Christmas consumer spending.

Electricals closed higher across the board following a useful day's business. GEC improved 6 to 124p and Messrs. Bess, gained 9 to 189p.

Hawker, 7 higher at 154p xd, stood out in leading Engineering, GKN hardened only a penny to 240p, while Vickers were

friendless and 2 easier at 107p. Among mixed secondary issues, Stone-Platt lost 2 to 39p following adverse comment, while Jones and Williams cheapened 10 to 140p and James Watson, how-ever, added 10 to 150p and Martonair International put on 5 to 186p xd.



attracted buyers and put on 2 to 154p.

Among Hotels and Caterers, Grand Metropolitan and Trest House Forte hardened a couple of pence to 127p and 137p respectively, but Ladbrooke shed that much to 127p following a Reo Stakis came under pressure and lost 4 to 42p.

Nat. Carb. good

Responding further to the revitalized gilt-edged market, the miscellaneous industrial leaders opened the new Account with fresh improvements ranging to 8. Glaxo closed that much better at 400p, while Reed International put on 4 to 174p.

ing which National Carbide closed 8 to the good at 108p, after 110p, while E.C. Gas finished 13 better at 58p and Cawoods 6 higher at 140p.

Motor Components attracted support, Lucas, 20p-22p issue, adding 7 1/2 to 322p and Dunlop rising 3 to 47p.

Associated Engineering, however, eased a penny to 60p following adverse Press comment. Elsewhere, Calfyns encountered renewed speculative demand and finished 8 up at 127p, while Hanger rose 4 to 49p.

Shippings opened firmly but little follow-through demand developed and prices generally closed around Friday's closing levels.

tively. Interest was shown in Barclay which added 3 to 85p xd, while Capital and Counties picked up 4 to 76p, the latter's half-yearly results are due on Friday.

OilEx jump

Oils were featured by a jump of 96 to 708p, after 735p, in Oil Exploration following news of a rival bid approach from an unnamed source.

The Gold Mines index reversed the trend of the previous two trading days to register a gain of 2.3 to 206.2.

Shippings opened firmly but little follow-through demand developed and prices generally closed around Friday's closing levels.

Table titled 'FINANCIAL TIMES STOCK INDICES' showing various indices for Nov 19, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, and Year Ago.

Table titled 'HIGHS AND LOWS' and 'S.E. ACTIVITY' showing high and low prices for various stocks and their activity in the South East.

Deals in Vita-Tex were suspended at the company's request at Friday's closing level.

Gold's firmer

South African Golds edged higher in quiet trading aided by the steadiness of the pound price which closed unchanged at \$390.50 an ounce.

The Gold Mines index reversed the trend of the previous two trading days to register a gain of 2.3 to 206.2.

ost prompted a fair demand for Charter, 5 up at 168p, like Time-Zone, 5 to the good at 255p and Selection Treat, 6 higher at 128p, are holding talks with the 400p.

Gold Fields of South Africa were outstanding in an otherwise subdued South African Financial section; renewed London buying, again reflecting the speculation surrounding the London pound, pushed GFLA up almost a point to a 1979 high of £24 1/2.

Coal and other energy issues showed Oakbridge 6 off at 188p and Giffins 5 cheaper at 86p.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table titled 'EQUITY GROUPS & SUB-SECTIONS' showing indices for various equity groups like CAPITAL GOODS, CONSUMER GOODS, INDUSTRIAL GROUP, etc., for Mon, Nov 19, 1979.

Table titled 'FIXED INTEREST PRICE INDICES' showing indices for various fixed interest instruments like British Government, Under 5 years, etc., for Mon, Nov 19, 1979.

Table titled 'FIXED INTEREST YIELDS' showing yields for various fixed interest instruments like British Government, Under 5 years, etc., for Mon, Nov 19, 1979.

ACTIVE STOCKS

Table titled 'ACTIVE STOCKS' showing stock prices and changes for various companies like Oil Exploration, EMI, LASHO, etc.

DEALING DATES

First Last Last For Deal-Deal-Declar-Settling-ings tion ment Nov. 12 Nov. 23 Feb. 21 Mar. 3 Nov. 26 Dec. 7 Mar. 6 Mar. 27 Dec. 17 Dec. 29 Mar. 20 Mar. 31

RECENT ISSUES

Table titled 'RECENT ISSUES' showing details of recent stock issues like 363 F.P., 180 F.P., etc.

FIXED INTEREST STOCKS

Table titled 'FIXED INTEREST STOCKS' showing details of fixed interest stocks like Bristol Waterworks, Eastbourne Waterworks, etc.

"RIGHTS" OFFERS

Table titled '"RIGHTS" OFFERS' showing details of rights offers for various companies like AS48 BH, 600 F.P., etc.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimates. * Assumed dividend and yield. y Forecast dividend and yield. F.P. Full Payment. G.O. Green Offer. Q.O. Green Offer. P.O. Green Offer. S.O. Green Offer. W.O. Green Offer. Y.O. Green Offer. Z.O. Green Offer.

OPTIONS

Table titled 'OPTIONS' showing details of stock options for various companies like Shell, BP, etc.

RECENT ISSUES

Table titled 'RECENT ISSUES' showing details of recent stock issues like 363 F.P., 180 F.P., etc.

FIXED INTEREST STOCKS

Table titled 'FIXED INTEREST STOCKS' showing details of fixed interest stocks like Bristol Waterworks, Eastbourne Waterworks, etc.

"RIGHTS" OFFERS

Table titled '"RIGHTS" OFFERS' showing details of rights offers for various companies like AS48 BH, 600 F.P., etc.

Renunciation date usually last day for dealing free of stamp duty. Figures based on prospectus estimates. * Assumed dividend and yield. y Forecast dividend and yield. F.P. Full Payment. G.O. Green Offer. Q.O. Green Offer. P.O. Green Offer. S.O. Green Offer. W.O. Green Offer. Y.O. Green Offer. Z.O. Green Offer.

LONDON TRADED OPTIONS

Table titled 'LONDON TRADED OPTIONS' showing details of traded options for various companies like Shell, BP, etc.

RISES AND FALLS YESTERDAY

Table titled 'RISES AND FALLS YESTERDAY' showing price changes for various stocks like British Funds, Foreign Bonds, etc.

UNIT TRUST SERVICE

Advertisement for UNIT TRUST SERVICE, listing various investment funds and their details.

FT SHARE INFORMATION SERVICE



That's BTR

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table of British Funds with columns for Name, Stock, Price, and Yield.

Five to Fifteen Years

Table of British Funds (Five to Fifteen Years) with columns for Name, Stock, Price, and Yield.

Over Fifteen Years

Table of British Funds (Over Fifteen Years) with columns for Name, Stock, Price, and Yield.

Undated

Table of British Funds (Undated) with columns for Name, Stock, Price, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Stock, Price, and Yield.

BANKS & HP—Continued

Table of Banks & HP with columns for Name, Stock, Price, and Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics with columns for Name, Stock, Price, and Yield.

ENGINEERING—Continued

Table of Engineering with columns for Name, Stock, Price, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Stock, Price, and Yield.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for Name, Stock, Price, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Stock, Price, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Stock, Price, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Stock, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Stock, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Stock, Price, and Yield.

CANADIANS

Table of Canadian Stocks with columns for Name, Stock, Price, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Stock, Price, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Stock, Price, and Yield.

INTERNATIONAL BANK

Table of International Bank with columns for Name, Stock, Price, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Stock, Price, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Name, Stock, Price, and Yield.

LOANS

Table of Loans with columns for Name, Stock, Price, and Yield.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY

Frankfurt Office: The Financial Times (Europe) Ltd, Frankfurterstrasse 68-72, 6000 Frankfurt-am-Main 1

EDITORIAL OFFICES: Amsterdam, P.O. Box 1296, Amsterdam-C. Tel: 16527 Tel: 276 796

Birmingham: George House, George Road, Tel: 336610 Tel: 021-454 0922

London: 22, Abchurch Lane, London E.C. 4, Tel: 4049000

Paris: 36 Rue de Senlis, 75002, Tel: 220044 Tel: 236.57.43

Madrid: Encarnación 32, Madrid 3, Tel: 401 6772

ADVERTISMENT OFFICES: Birmingham: George House, George Road, Tel: 336610 Tel: 021-454 0922

Subscriptions: Copies obtainable from newspapers and bookstalls worldwide or on regular subscription from Subscription departments—Financial Times in London, Frankfurt and New York

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Stock, Price, and Yield.

INDUSTRIALS (Miscel.)

Table of Industrials (Miscel.) with columns for Name, Stock, Price, and Yield.

ELECTRICALS

Table of Electricals with columns for Name, Stock, Price, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Stock, Price, and Yield.

Handwritten text: كندا من العمل



BNOC in £500m forward sale

By Ray Daffer, Energy Editor

FORWARD SALE OF £500-million of North Sea oil, aimed at easing the Public Sector Borrowing Requirement, has been concluded by the British National Oil Corporation. More than 90 per cent of the oil has been sold to UK refiners.

Contracts cover deliveries of some 100,000 to 120,000 b/d, starting in April next year, revenue will be collected in the first quarter of the year, however. In this way the money can be used to ease the Government's borrowing requirement in this financial year.

Deliveries will be made over a nine- to 12-month period. The exact quantity of oil is unknown. Refiners have pledged to buy crude to a certain value; the amount they will receive will depend on the price of oil during the 1980-81 sale period.

It was pointed out in the industry that some of the forward-sale oil might have been delivered to refiners under term-contracts anyway.

Mr. Alastair Morrow, a managing director of BNOC, said that sale arrangements were acceptable to all parties. Sales would be made at the market price ruling on the day each cargo was delivered. North Sea oil is selling for \$25 to \$26.27 a barrel.

The price is likely to rise significantly next year if, as expected, the Organisation of Petroleum Exporting Countries agrees to raise its prices from January 1. It is thought that a rise of 10 to 15 per cent is expected.

BNOC could have sold a much larger amount than contracted under the forward-sale terms—particularly to potential overseas customers, many of whom were willing to pay premium rates.

The Corporation pointed out yesterday that volumes involved were a limited, minor part of its sales commitments for 1980-81. Next year, for instance, it is likely to have an average 800,000 b/d of North Sea crude at its disposal, apart from oil acquired under State-participation arrangements and resold to producers.

A main beneficiary of the forward-sale oil will be British Petroleum, which badly needs fresh supplies following a big reduction in liftings from its traditional OPEC supplies.

BP may be buying between a third and one-half of the forward-sale oil. A company spokesman said: "The particular outlines for an agreement between BNOC and BP have been established but details and financial arrangements have yet to be finalised and it would be improper to go into these before the agreement has been signed."

BP and BNOC are negotiating another deal, covering a much more significant amount of the Corporation's crude entitlement. This oil is also likely to be destined for BP's UK refineries.

Shell—thought to be another forward-sale customer—and BP have been told that they will have to accept lower liftings of oil from Abu Dhabi next year. Abu Dhabi National Oil Company (ADNOC) is cutting its contract volumes by a half.

Continued from Page 1

EEC

which the mechanism may be triggered. In their present form, these have prevented Britain from benefiting from the rebates on budget payments which the arrangement was designed to provide.

Sir Geoffrey Howe, Chancellor of the Exchequer, said afterwards that such a change would not be itself enough to cut the UK's payments to an acceptable level.

He estimated that, even if the UK were to receive maximum benefits available from the corrective mechanism, its net contributions next year could still be larger than those of West Germany and as much as seven times higher than payments from France.

Sir Geoffrey remained tantalisingly evasive about the kinds of extra measures which would be needed to fulfil the Government's aim of restoring the UK's contribution to "broad balance" from the next year.

Continued from Page 1

Shotton

The ITC has asked for the possibility of Shotton keeping its hot rolling mill and certain other production units to be included in closure negotiations.

This would cut the number of redundancies by an estimated 2,000, but BSC is likely to have examined, and rejected, this option already.

Control on security services tightened

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER has sharply reinforced the Government's control over the operations of the security services since the exposure of "fourth man" spy Mr. Anthony Blunt.

The Prime Minister, who will open a full scale debate on the Blunt affair in the Commons tomorrow will assure MPs that Government procedures have been changed to provide for more extensive ministerial checks on security activities.

Mrs. Thatcher is also expected to announce that the Government's Protection of Official Information Bill will be withdrawn until Ministers have considered possible amendments to it.

She is convinced that the new rules would prevent a repetition of events in the Blunt case in which four successive Prime Ministers were not told of the spy's confession or cover-up.

Mr. Blunt is expected to make a public statement today and be interviewed by BBC TV News, ITV and The Times.

Mr. Michael Rubinstein, his solicitor, yesterday had an hour's meeting with Sir Robert Armstrong, Secretary to the Cabinet.

Mr. Rubinstein showed Sir Robert a draft of the statement which Mr. Blunt intends to make. He said his client did not

wish to transgress the Official Secrets Act or damage the national interest.

The Protection of Official Information Bill, the reform of the Official Secrets Act, is now before the Lords.

The Bill's powers, which have been widely and severely criticised, could be used to prevent publication of facts about spy cases like that of Mr. Blunt.

Mr. William Whitelaw, the Home Secretary, is already examining a number of suggested revisions to the legislation.

Demands for the suspension of the Bill, came yesterday from both Labour and Liberal MPs. Mr. Alan Beith, Liberal Chief Whip, described it as "the protection of incompetence and the covering up of treason" Bill.

Mr. William Hamilton, Labour MP for Central Fife, urged the Government to "consign it to the dustbin."

Though Mrs. Thatcher's decision to hold a full Commons debate was given a general welcome, Labour MPs gave notice that they will continue to press for a full public inquiry into the Blunt affair.

Mr. Michael English, Labour MP for Nottingham West, suggested that the investigation should be conducted by the Commons Select Committee on

Home Office affairs. The Government will not make a decision about such an inquiry until after the debate.

But Mrs. Thatcher and her senior Ministers are said to agree that it would be pointless and distasteful to "blacken the names of dead men."

The Prime Minister considers that it is more important now to ensure adequate future control over security operations than to delve into past mistakes.

Sir Michael Havers, the Attorney General, made it clear in Commons answers to Labour MPs that the Government had no intention now of initiating any legal proceedings against Mr. Blunt.

Sir Michael, who will wind up the Commons debate tomorrow, also confirmed that the Government had no information which would justify the prosecution of Dr. Wilfrid Mann the British physicist now living in Washington, who has been named as "a fifth man in the Burgess, Maclean, Philby ring."

Mr. James Callaghan will lead for the Opposition, in tomorrow's debate, in which two other former Prime Ministers, Sir Harold Wilson and Mr. Edward Heath, may also take part.

Parliament, Page 15

Official Unionists consider attending constitution talks

BY STEWART DALRYMPLE

NORTHERN IRELAND'S Official Unionist Party may after all take part in the proposed constitutional conference on Northern Ireland.

Mr. James Molyneux, leader of the party, said at Westminster yesterday on the eve of the publication of the Government's consultative document which aims to set the framework for the conference: "The considered views of the Ulster Unionist Party about the contents of the consultative document... and its implications for Ulster will be put forward after due consideration and consultation in the Province."

This has been interpreted in Northern Ireland as meaning that Mr. Molyneux is reconsidering his decision to boycott the conference which the other

main Loyalist party, the Democratic Unionists, led by the Rev. Ian Paisley, has tentatively agreed to attend.

It has already become clear that the Government is determined to press ahead with the conference regardless. Mr. Molyneux categorically rejected the idea of the conference when it was first mooted.

His view was that it would be just a "coffee table gathering" at which the main Northern Ireland political parties would reiterate entrenched positions. He thought Mr. Paisley's party would demand the restoration of Stormont the devolved Parliament abrogated in 1972.

However, since Mr. Molyneux's initial rejection two things have happened.

First, to the surprise of many, Mr. Paisley has agreed to attend. This means that the conference can start, since three of the four main contenders have said they will participate.

Second, members of Mr. Molyneux's party, in spite of reservations, have publicly said that the party should consider the conference.

Government to reshape nuclear industry into one organisation

BY JOHN LLOYD

THE GOVERNMENT will shortly announce its intention to re-shape the British nuclear industry into a single-tier organisation to replace the two-tier National Nuclear Corporation.

It is also likely to announce that, subject to safety clearances, it will order a pressurised water reactor station (PWR) on licence from Westinghouse of the U.S.

The Government, it is thought, wants the new organisation to take on a manufacturing role in the longer term. The National Nuclear Corporation and its subsidiary company, the Nuclear Power Company, is confined to the design and commissioning of nuclear stations.

It is believed that the announcement will not entail changes in the shareholding of the NNC/NPC. That shareholding is now divided between the UK Atomic Energy Authority, with 35 per cent, the General Electric Company with 30 per cent and British Nuclear Associates, a grouping of other nuclear contractors, with 35 per cent. The company is managed

by GEC, which also has the PWR licensing agreement with Westinghouse.

A more radical restructuring of the industry has been ruled out for the immediate future because of continuing debate over the type of nuclear stations which would be ordered. The parties interested in the future of the industry, who vary widely on what that future should be, all agree that the ordering programme must be defined before the structure is decided.

The previous Government had agreed in principle to the ordering of a PWR, but a decision has been delayed by the accident at the Three Mile Island station in the U.S. earlier this year. The UK Nuclear Installations Inspectorate is studying the U.S. report on the accident.

The U.S. Nuclear Regulatory Commission has yet to complete its safety review, and may freeze overseas licensing of the PWR until it does so.

Gundelach plans farm cost cuts

BY CHRISTOPHER PARKES

MR. FENN GUNDELACH, the Common Market Agriculture Commissioner, has prepared a package of cost-saving proposals which could reduce EEC spending on farming by up to 1bn European units of account a year (about \$650m).

He aims to make savings on dairy products, sugar, beef, fruit and vegetables, rye and straw, he said in London yesterday.

The proposals will go to the weekly Commission meeting tomorrow. Mr. Gundelach's hope is that they would be approved in time for the meeting of Community heads of government in Dublin next week.

He wanted the Dublin summit to consider his plans because reactions there would "condition the climate in which farm price proposals will be made."

Mr. Gundelach apparently wants Community approval for the economy measures before he sets out his proposals for the new year review of farm produce prices. He did not expect to be presenting his review plans before January, he said.

Price review proposals are usually tabled before the Council of Agriculture Ministers in November or December in time for negotiation and decision by the end of March the following year.

Approval of Mr. Gundelach's economy schemes would give the Commissioner scope for increasing some farm support prices next year. Without sayings, there will simply not be the funds to back up higher prices.

The milk industry, which accounts for more than 40 per

cent of all farm fund expenditure, is expected to come under greatest pressure in Mr. Gundelach's proposals.

Through a levy on dairy farmers who over-produce, the Commissioner aims to raise funds to cover part of the cost of stocking, exporting and promoting EEC sales of "dairy goods."

Mr. Gundelach, in Britain for talks with Mr. Peter Walker, UK Agriculture Minister, said his Brussels office had received a letter from Paris containing a response to renewed pressure for France to lift its ban on imports of British lamb.

Although he had not yet seen the letter, he said he understood "it goes in the direction of fulfilling" the European Court's recent judgment that the ban was illegal.

Mugabe urges stronger ceasefire force

BY MICHAEL HOLMAN

THE PATRIOTIC FRONT delegation to the Lancaster House talks on Rhodesia yesterday tabled a controversial ceasefire plan for the seven-year war which envisages a Commonwealth peacekeeping force several thousand strong.

The proposal came amid signs that the Salisbury government of Bishop Abel Muzorewa is preparing to accept, subject to clarification, Britain's own ceasefire terms.

While these provide for a Commonwealth monitoring force, numbering several hundred, it is highly unlikely that either Britain or Salisbury would accept a Commonwealth peacekeeping role.

At yesterday's 20 minute plenary session, the Salisbury delegation posed no fundamental objections to Britain's plan. Instead, Dr. Silas Mhandawire, leading the delegation following the weekend return to Rhodesia of Bishop Muzorewa, sought clarification about the machinery for ceasefire implementation and details on the composition of the monitoring units.

He also asked for more information about the disposition of the two rival forces. Arrangements to re-group the 15,000 guerrillas in the country and to allocate areas for the regular forces in an effort to keep the two sides apart will be a critical element in the ceasefire.

An end to the war is the third and final phase of the talks, now in their 11th week, following all-party agreement on an independence constitution for Rhodesia and a two to three month transition under a British governor with executive powers.

Last Friday, Lord Carrington, the Foreign Secretary, submitted Britain's 10-point outline plan for the ceasefire, under which the commanders of the guerrilla and regular forces will limit operations to self-defence, and be responsible to the governor.

The Foreign Secretary believes ceasefire terms can be agreed at Lancaster House within "a matter of days."

The conference would also agree on the date from which they became effective. This, he says, "need not be more than seven to 10 days" after all-party acceptance in London of the comprehensive Rhodesia settlement.

Essential

At a press conference yesterday, Mr. Joshua Nkomo and Mr. Robert Mugabe, co-leaders of the Front, said machinery for enforcing the ceasefire was "vital if we are to get lasting peace."

An independent force numbering "several thousand" was essential, said Mr. Mugabe, "not only to observe the ceasefire but to be in a position to enforce it."

As well as calling for a Commonwealth peacekeeping force, the Front proposes a Commonwealth ceasefire supervisory commission which would decide when the ceasefire had become sufficiently effective to allow free elections.

Other measures include the dismantling of certain Rhodesian military and paramilitary units, and the surrender of "a vast private armoury" of weapons—said by the Front to total 115,000—held by Rhodesian civilians. The bulk of these arms belongs to the country's 225,000 whites and the rest are held by "auxiliary" forces loyal to Bishop Muzorewa and Rev. Ndabaningi Sithole.

Lord Carrington will respond to the plan when the conference resumes this morning. However, British officials last night said they did not expect there would, as a result, be any substantial changes to Britain's own arrangements.

They drew a distinction between a monitoring force, and a peace-keeping role for the Commonwealth.

The British view is that provided there is the political will on the part of all parties, a ceasefire can be implemented within the time scale and with the resources that Lord Carrington envisages.

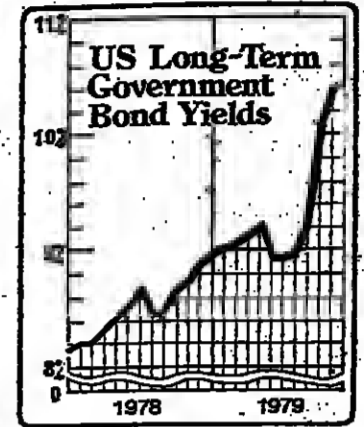
Yesterday's session suggested the pattern of the first and second stages of the conference may well be repeated. Britain's constitutional and pre-independence proposals were soon accepted by Salisbury.

The Patriotic Front, however, tabled elaborate counter documents, but after lengthy negotiations finally accepted slightly modified British terms. Patriotic Front's call, Page 4

THE LEX COLUMN

Pressure on U.S. bond yields

Index rose 4.3 to 411.3



Any member of the Society of Investment Analysts who was looking for an early fall in U.S. interest rates to help our own gilt-edged market on its way will have been disappointed by Dr. Henry Kaufman's remarks to the Society's seminar yesterday.

Bond market rallies at present are traps for the unwary, according to Dr. Kaufman, and premature anticipation of a turn in interest rates can be very expensive. On this point at least many of the fund managers present must have good reasons to agree with him.

Dr. Kaufman is expecting prime rates to go up to 17 per cent at least, from the current 15 1/2 per cent, and yields on high-grade utility bonds to rise to 13 per cent from the present 11 1/2 per cent. Worse still, perhaps, he does not expect long yields to come down very far in 1980—the next cyclical low for these bonds may be only around 10 per cent.

Those who have called the turn in U.S. interest rates too soon have usually been guided by the passing of the peak in economic activity. But the time-lag between this point and the highest level of interest rates has been getting longer with every business cycle—seven months in 1969/70, 11 months in 1973/74, and goodness knows how long this time.

In addition, it used to be commonplace to look for falling interest rates soon after a backward-sloping yield curve was established. But inverted yield curves have been lasting longer and showing steeper backward slopes—moreover, the establishment of an inverted yield curve is no longer a sure sign that long rates have peaked.

Dr. Kaufman believes that as the recession sets in next year (not as deep as in 1974, nor as shallow as in 1970), the U.S. inflation rate may well go on rising. Apart from the increase in energy costs, present wage demands are extraordinary by American standards and cost-of-living adjustments are becoming commonplace. It would be foolish to assume that the recent run of bumper harvests will continue indefinitely.

With a high inflation rate and a relatively shallow recession, corporate borrowings will stay high to finance working capital expansion. At the moment, internal cash generation is falling off but heavy capital expenditure programmes still have to be completed. Even by the end of 1980, personal savings and corporate balance sheets may not have been

restored to a suitably liquid state. On top of this, the Government's demands on the credit markets are likely to grow, as the 1979/80 budget deficit may be twice the previous year's \$27bn. A relatively minor economic stimulus may turn into a major problem for the bond market.

Sterling

Sterling rose more than two cents against the dollar yesterday to \$2.1820, and while the general weakness of the dollar was a strong factor, it is also true that the pound has reached 69.8 on the trade-weighted index, a gain of 5.6 per cent from the low point of two weeks ago.

In the past few years sterling has tended to be firm towards the calendar year-end, a fact which British companies translating overseas earnings have found distinctly inconvenient. But the main factor of course is not seasonal, but relates to the sharp hike in UK interest rates which has coincided with another period of concern over oil prices.

Certainly, foreigners have become active again in the gilt-edged market, with sizeable applications for last week's new tranche of Treasury 13 1/2 per cent 2000/08 from countries like the U.S. and Germany. There could well be some overseas interest, too, in the short/medium term being launched on Thursday, Treasury 15 per cent 1985.

This does not mean, however, that these issues are attracting proportionate amounts of foreign currency into the UK, for many of these purchases are essentially short-term operations by regular traders who are likely to carry more or less permanent sterling balances. During

October, for instance, British brokers reported large-scale disposals of gilt-edged foreigners, and these investors now seem to be switching longer, according to a familiar pattern.

For equities, though, the combination of high interest rates and a firm currency is not going to generate helpful conditions at least for the time being, as they have only been able to justify weakly in the gilt-edged rally.

Thermo-Skyships

Only four months after its spectacular crash-landing of a first share issue scheme Thermo-Skyships, the Isle Man company, is back with a new idea. The group now cash to finance the early stages of its programme to design and produce the Zeppelin of the future. The owners for it latest fund-raising plan is brighter.

The primary virtue of the prospectus is its simplicity. It proposes a relatively minor economic stimulus may turn into a major problem for the bond market.

Yet the investment is not for the faint-hearted. The group says it "may" seek a listing under rule 163(2) but, even supposing it does, marketability will still be limited. Profits are not expected until 1987 so there will be a long wait for dividends. It might have been prudent to wait until funding discussions with European governments were more advanced and the group's future looked more assured. The prospectus is that cash is needed now. Quibbles can be levelled against the presentation of the new prospectus. The introductory paragraph advising applicants of the potential risks is in small italics; last time it was framed in bold capital. For the courageous, however, the scheme offers plenty of scope for entrepreneurial flair. If this financing plan fails, the whole project may be driven abroad.

Weather

DRY with some sunshine. Temperatures mostly near normal. London, S.E. England, E. England, Midlands, Lake District, C.E. England and Isle of Man

Dry, sunny intervals, moderate winds. Max. 8C (46F). S.E. England, E. Anglia, E. England and N.E. England.

Sunny with scattered showers. Temperatures near normal. Max. 8C (46F). S.W. England, Channel Islands, S. Wales and N. Ireland

Mostly dry with bright periods. Max. 7C (45F). Edinburgh, Dundee, Aberdeen, Moray Firth, Orkney and Shetland.

Sunny periods with scattered light showers. Max. 8C (46F). S.W. Scotland, Glasgow, Argyll

Dry, sunny periods. Light showers. Max. 8C (46F). yfHhY.

WORLDWIDE

Table with 3 columns: Location, Y'day, Y'day midday. Includes cities like Algiers, London, Paris, Rome, etc.

Young Financial Executives of outstanding ability. Currently Earning £10,000-£15,000. Odgers and Co. are Management Consultants specialising in the recruitment of financial marketing and general management executives.